[H.A.S.C. No. 110–111]

HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2009

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS

SECOND SESSION

MILITARY PERSONNEL SUBCOMMITTEE HEARING

ON

BUDGET REQUEST ON THE VIEWS OF MILITARY ADVOCACY AND BENEFICIARY GROUPS

HEARING HELD
FEBRUARY 7, 2008

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HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
MILITARY PERSONNEL SUBCOMMITTEE,
Washington, DC, Thursday, February 7, 2008.

The subcommittee met, pursuant to call, at 3:04 p.m., in room 2212, Rayburn House Office Building, Hon. Susan A. Davis (chairwoman of the subcommittee) presiding.

OPENING STATEMENT OF HON. SUSAN A. DAVIS, A REPRESENTATIVE FROM CALIFORNIA, CHAIRWOMAN, MILITARY PERSONNEL SUBCOMMITTEE

Mrs. DAVIS. Good afternoon, everybody. Thank you for being here. I want to call this meeting to order.

I want to thank all of you for your attendance today. And we understand that it has been relatively short notice, although you seem very well prepared. So I hope that we were able to give you the kind of information that you need.

Our hearing today focuses on the views of military advocacy and beneficiary groups. Similar to last year, we have invited a handful of organizations to testify on a wide range of programs and policies that affect our servicemembers, retirees, and their families.

Historically, as you all know, many of these organizations have been asked to share their views at individual hearings that focused on specific topics. And that has been very useful, of course, to the subcommittee. But sometimes we were only able to hear from people on a specific hearing topic. And so, we haven't been able to necessarily put that into a full context and see many of the competing requests that you all naturally are going to be bringing and that come from your organizations.

I know last year we were interrupted by a series of votes. But the subcommittee did find it informative to have just a beneficiary-focused hearing.

In anticipation of the hearings that the subcommittee will have on a wide range of topics, we thought it would be helpful again today to hear from the advocacy and from the beneficiary organizations as we begin our efforts to go out to members' districts as well and to see firsthand these issues and how that insight might help us as we develop the Fiscal Year 2009 National Defense Authorization Act (NDAA), which is what we are going to be doing, as you know, in the coming year.

Given that we will have limited resources—and I think that is no surprise to anybody—and especially the difficulty in finding

mandatory spending to address a multitude of needs, we hope that the subcommittee will be able to hear from you about what your key priorities are for the servicemember and for their families.

I want to welcome you all today. Mr. Todd Bowers, Government Relations Director for Iraq and Afghanistan Veterans of America; Mr. Joseph Barnes, National Executive Secretary for the Fleet Reserve Association; Mrs. Kathleen Moakler, Director of Government Relations Department, National Military Family Association; Colonel Steve Strobridge, USAF, Retired, Director, Government Relations Military Officers Association of America; Mr. David Johnson, Chairman of the Board, American Logistics Association; and Mr. Jed Becker, Vice Chairman of the Armed Forces Marketing Council.

I wanted to mention that Mr. Barnes, Mrs. Moakler, and Colonel Strobridge are here not just to represent their individual organization, but you are here also to represent the positions of The Military Coalition (TMC), which is comprised of over 30 uniformed services and veterans organizations. And we know they all would love to be at the table. So you have a special burden on you today. Given the time limitations, of course, we cannot hear from everybody, so we have asked the coalition to represent its members today.

I want to thank all of you, thank you for your testimony. And we look forward to the hearing today.

And I want to turn to Mr. McHugh and see if he has any comments that he would like to make.

[The prepared statement of Mrs. Davis can be found in the Appendix on page 43.]

STATEMENT OF HON. JOHN M. MCHUGH, A REPRESENTATIVE FROM NEW YORK, RANKING MEMBER, MILITARY PERSONNEL SUBCOMMITTEE

Mr. MCHUGH. Thank you, Madam Chairman. I will try to be very brief. I would ask that my full statement be entered in the record in its entirety. And let me note that I think you covered the waterfront pretty effectively, and your speech could stand in good stead for mine, in fact. But let me add my words of welcome to all of our panelists.

Most of them represent organizations that are certainly no stranger to this subcommittee. And we thank them, as you noted, Madam Chair, for their continued advocacy for the systems that their members rely upon and for those concerns that their members bring to them.

And all of you really provide an invaluable link between folks that we need to focus on and care a great deal about and their concerns and help us better understand what we need to do. I want to give a particular tip of the hat to Mr. Bowers, whose first appearance here, particularly in his association with Iraq and Afghanistan Veterans of America, shows the continuing sacrifices and service that our men and women in uniform make. And we look forward to your comments.

As you noted, Madam Chair, all of the groups didn't have a lot of forewarning. As I looked at the presentation of the formal testimony for The Military Coalition, about 50 pages and 50 issues they

raised, we may want to compress it even more next year. But I think what that does show, in all seriousness, is how broad the range of challenges that we face.

And as you noted, Madam Chair, every dollar we have to spend we probably have $1,000 or more in places that we could well expend it. And again, to echo your words, Madam Chair, the fact that we can benefit from the focus and from the prioritizations that our presenters will provide to us here today is very, very important.

And as we go forward in the rest of the hearings, this our first, as the chairwoman noted, in the development of the Fiscal Year 2009 NDAA, we certainly look forward to working with all of you. And ultimately, at least I would strongly recommend, working with Chairman Skelton and, of course, the ranking member and others and having our imprint on the House Armed Services Committee (HASC) view and estimates letter to go the Budget Committee. Obviously we need to make sure that we weigh in and do our best to try to extract the resources under that process that would be necessary in this challenge.

So thank you, Madam Chair, for the leadership in bringing us together here today. And I look forward to everybody's testimony.

[The prepared statement of Mr. McHugh can be found in the Appendix on page 47.]

Mrs. DAVIS. Thank you. Thank you, Mr. McHugh. I think we are just going to go down the line.

Mr. Bowers, if you would like to start. And we will go ahead and hear everyone's testimony and then take questions. Thank you.

STATEMENT OF TODD BOWERS, DIRECTOR OF GOVERNMENT AFFAIRS, IRAQ AND AFGHANISTAN VETERANS OF AMERICA

Mr. BOWERS. Thank you. Ms. Chairman, ranking member, and distinguished members of the committee, on behalf of the Iraq and Afghanistan Veterans of America (IAVA) and our thousands of members nationwide, I thank you for the opportunity to testify today regarding military personnel policies and programs.

As the war in Iraq continues into its fifth year, this generation of troops faces new and unique problems. Today IAVA is releasing our annual legislative agenda. Our legislative agenda covers the entire warfighting cycle, before, during and after deployment, and outlines practical solutions to the most pressing problems facing Iraq and Afghanistan veterans today.

In my ten-year career as a Marine reservist I have had the honor of serving in Iraq twice. During these tours it became clear to me that taking care of the individual on your left and right is paramount to accomplish your mission. Only when I returned home did I understand that taking care of the people you served with once you get home is just as important.

This is not only a moral issue, but it is a national security concern. A rifle is only as strong as the mind controlling it.

Our 2008 legislative agenda is now available on our website. And excuse the shameless plug, but if everybody goes to www.iava.org, they can see what I have brought for the committee today.

We also have along with our legislative agenda reports on many issues facing veterans today, things ranging from traumatic brain injury (TBI), mental health injuries to many others.

I have brought copies of our legislative agenda and reports with me today for your convenience. In the interest of brevity today I limit my testimony to our key proposals regarding mental health. Rates of psychological injuries among new veterans are high and rising. At least 30 to 40 percent of Iraq veterans, or about half a million people, will face a serious psychological injury, including depression, anxiety, or post-traumatic stress disorder (PTSD).

Multiple tours and inadequate time at home between deployments increase rates of combat stress by 50 percent. The ramifications of psychological injuries are clear. Untreated mental health problems can and do lead to unemployment, domestic violence, substance abuse, homelessness, and in worse scenarios, suicide.

Twenty percent of married troops in Iraq say that they are planning a divorce. At least 40,000 Iraq and Afghanistan veterans have been treated at a Veterans Administration (VA) hospital for some form of substance abuse. The current Army suicide rate is the highest it has been in 26 years.

Reports released just last week found a 20 percent increase in the number of suicide attempts in the Army alone. The first step to coping effectively with the mental health crisis is addressing the stigma attached to receiving mental health treatment.

More than half of soldiers and Marines in Iraq who test positive for a mental health injury are concerned that they will be seen as weak by their fellow servicemembers. One in three of these troops worry about the effect of a mental health diagnosis on their career. As a result, many troops who need care do not seek treatment.

IAVA supports efforts already underway to reduce mental health stigma. The Air Force, for instance, has seen a 30 percent drop in suicide rates since the institution of a comprehensive suicide-prevention campaign. IAVA recommends creating a Department of Defense (DOD)-wide initiative to share best practices for mental health treatment, including outreach and education regarding mental health for both troops and most importantly, their families, and an emphasis on education for military leaders in the service and leadership academies.

In addition, servicemembers suffering from service-connected mental health issues should not be improperly penalized for their injuries. IAVA recommends imposing an immediate moratorium on military discharges for personality disorders until an audit of past personality discharges is completed.

Moreover, troops should be able to seek voluntary alcohol and substance-abuse counseling and treatment without the requirement of command notification. Such notification could be at the discretion of the treating mental health professional.

Finally, IAVA supports amending the Uniform Code of Military Justice (UCMJ) to establish a preference for mental health treatment over criminal prosecution for military suicide attempts. I am proud to announce that IAVA has partnered with the Advertising Council, also known as the Ad Council, on a very important project that will have nationwide impact on stigma that is often associated with members of our military who seek mental health treatment.

Over the next three years, IAVA will be working with the Ad Council on a massive media campaign aimed at informing the American public and our Nation's military that seeking help is a

sign of strength rather than weakness. We hope that the outcome of our efforts will be an American public that is more understanding of the difficulties that veterans face when they reintegrate into society.

But in addition to addressing stigma, the Department of Defense must do a better job of screening troops for mental health problems. The current system of paperwork evaluations, the Post-Deployment Health Assessment (PDHA) and Post-Deployment Health Reassessment (PDHRA), is ineffective.

A 2006 study led by Army Colonel Charles Hoge, MD, at the Walter Reed Army Institute of Research, looked at the results of Iraq veterans' PDHAs. Only 19 percent of those returning from Iraq self-reported a mental health problem. But 35 percent of those troops actually sought mental health care in the year following their deployment.

If the PDHA is intended to correctly identify troops who will need mental health care, it simply does not work. A follow-up study in 2007, also published in the Journal of the American Medical Association, concluded, "Surveys taken immediately on return from deployment substantially underestimate the mental health burden."

Although the PDHRA, which troops fill out six months after deployment, is more likely to identify mental health injuries, its overall effectiveness is also dubious. Troops may not be filling out their forms accurately. Troops needing counseling are not consistently getting referrals. And those with referrals do not always get treatment. IAVA therefore supports mandatory and confidential mental health and traumatic brain injury screening by a mental health professional for all troops, both before and at least 90 days after a combat tour.

After stigma and inadequate screening, the final barrier to mental health care is lack of access. The number of licensed psychologists in the military has dropped by more than 20 percent in recent years. Less than 40 percent of troops with psychological wounds are getting treated.

Funding within the Department of Defense must be focused on current shortages of mental health professionals. IAVA recommends a study of reasons for attrition among military mental health professionals and the creation of new recruitment and retention incentives for mental health care providers such as scholarships or college loan forgiveness.

Military families with TRICARE should have improved access to mental health care services. And active duty families should be given unlimited access to mental health care and family and marital counseling on military bases.

I thank you for providing me the opportunity to testify before you this afternoon. I hope that the information I have provided will help to lay the groundwork for the committee to eliminate the obstacles that our Nation's newest veterans are facing. It would be my pleasure to answer any question you may have at this time. Thank you.

[The prepared statement of Mr. Bowers can be found in the Appendix on page 49.]

Mrs. DAVIS. Thank you. Thank you, Mr. Bowers.

And I let Mr. Bowers go about one and a half minutes over. And if everybody can try and stay in the five minutes, that would greatly appreciated. I know that your time is very precious, and we want to hear from you. So if you can do that, great. We will let you go over just a little bit. But that doesn't include all of us up here, of course.

Please, Mr. Barnes.

STATEMENT OF JOSEPH L. BARNES, NATIONAL EXECUTIVE DIRECTOR, FLEET RESERVE ASSOCIATION

Mr. BARNES. Madam Chairwoman, Mr. McHugh, and distinguished members of the subcommittee, thank you for this opportunity to present the concerns of The Military Coalition. The extensive coalition statement reflects the consensus of TMC organizations and extensive work by eight legislative committees, each comprised with representatives from the coalition's nearly three dozen military and veterans organizations. I will briefly address key Active Duty, Guard and Reserve, and retiree issues, and my colleagues will then address other issues.

But first, I wish to thank you and the entire subcommittee for the steadfast and strong support of our military personnel, retirees, veterans, their families, and survivors, and particularly for recently enacted wounded warrior enhancements. Sustaining adequate Active, Guard and Reserve end strength to effectively prosecute the war effort and other demanding operational commitments is vital to our national security. And TMC urges strong support for Army and Marine Corps end strength increases in fiscal year 2009 and beyond.

Wearing down the force contributes to serious morale, readiness, and retention challenges. And the coalition remains concerned about the Air Force and Navy's ambitious end strength reductions.

Restoring military pay comparability remains a top priority, and TMC urges this distinguished subcommittee to authorize at least a 3.9 percent pay hike. We appreciate your leadership authorizing past higher than employment cost index (ECI) active duty pay hikes. And despite significant progress on compensation levels, a 3.4 percent gap continues.

Housing standards determine local housing allowance rates, which need to be revised to more appropriately reflect where service personnel are living. For example, only E–9s, which comprise 1.25 percent of the enlisted force, are eligible for Basic Allowance for Housing (BAH) for single-family detached homes.

The need to address permanent change of station (PCS) expense reimbursements is detailed in our statement. These include temporary lodging expenses for Continental United States (CONUS) moves, reimbursements for house hunting trips, car rentals when vehicles have already been shipped, and authority to ship two privately owned vehicles overseas.

The coalition strongly supports giving credit for all active duty service since September 11, 2001 for reserve retirement-age adjustment purposes. The coalition also supports reinforcing the employer support for the Guard and Reserve program to include tax relief for employers of selected reserve personnel.

Guard and Reserve issues are extremely important, and in addition to these concerns, dozens of other issues are addressed in the Guard and Reserve commission recommendations. And the coalition respectfully recommends that this distinguished subcommittee schedule a separate hearing focused solely on the panel's findings. TMC supports integrating Guard and Reserve, Montgomery G.I. Bill (MGIB), and active duty MGIB laws under Title 38 along with the restoration of basic reserve MGIB rates to the intended level of approximately 50 percent of the active duty rates.

And in considering the transfer of education benefits to spouses, it is also important not to forget currently serving Veterans Educational Assistance Program (VEAP)-era personnel who are not authorized to enroll in the MGIB. The coalition urges this distinguished subcommittee to act on recommendations of the Veterans' Disability Benefits Commission (VDBC) and implement a plan to eliminate the reduction of VA disability compensation for military retired pay for all disabled retirees.

Finally, the coalition remains committed to adequately funding to ensure adequate access to the commissary benefit for all beneficiaries and appreciates this distinguished subcommittee's effective oversight of this important benefit. Providing adequate programs, facilities, and support services for personnel impacted by Base Realignment and Closure (BRAC) actions, re-basing initiatives, and global repositioning is very important, particularly during war time, which alone results in significant stress on servicemembers and their families due to demanding operations commitments, repeated deployments, and other service requirements. Morale, Welfare, and Recreation (MWR) programs must also be adequately funded.

Thank you again for the opportunity to present our recommendations. And I stand ready to answer any questions you may have.

[The prepared statement of Mr. Barnes can be found in the Appendix on page 121.]

Mr. BARNES. Kathy Moakler will now discuss family readiness, military spouse, and survivor issues.

STATEMENT OF KATHLEEN B. MOAKLER, DIRECTOR, GOVERNMENT RELATIONS, THE NATIONAL MILITARY FAMILY ASSOCIATION

Mrs. MOAKLER. Madam Chairwoman, Mr. McHugh, and other members of the Personnel Subcommittee, thank you for the many family-friendly provisions included in the Fiscal Year 2008 NDAA. We are gratified that you have recognized the important role that families play in supporting our servicemembers in all stages of deployment.

Excellent support programs exist. It is important to find out which programs families are finding most effective and channel resources toward supporting those programs. The evaluation process and report you require in the 2008 NDAA should help to accomplish that.

You also recognized the excellence of the yellow ribbon reintegration program by calling for this program to be implemented by the National Guard in all states and territories. This strong reintegration process, taking the initiative to educate families along with the

returning servicemember, acknowledging the challenges of reconnecting as a family, and providing information and tools to accomplish this is too important a task to ask the National Guard to stretch already thin financial resources. We hope that this would be funded.

As deployments continue, military families can be stressed to the breaking point. We endorse the IAVA's assertion of the need for greater access to mental health care and counseling for returning servicemembers and families.

Military children, the treasure of many military families, have shouldered the burden of sacrifice with great pride. We appreciate this subcommittee's requirement of a report from DOD on programs that touch military children and their caregivers and hope the research can provide a basis for the most effective programs for our children.

A fully funded, robust family readiness program is crucial to military readiness. As deployments continue, families must know there is a secure yet flexible set of support services across all components available to them to reinforce readiness and build resiliency.

While military child development centers have consistently been ranked highest in national ratings, families still experience access problems. Despite new centers and funding provided last year, there is still a shortfall of over 30,000 spaces. Increased needs for respite care for both the families of the deployed and families with special needs also add new strains to the system. We ask the committee to remain committed to helping all military families access quality childcare.

Education is important to military families. The education of military children is a prime concern of their parents. The need for DOD-provided supplemental funding for impact aid is increasing. And we ask for increased supplemental funding, especially for schools who find themselves with increased numbers of military students.

The coalition appreciates the interest of the Administration and Congress in expanding the eligibility of servicemembers to transfer Montgomery G.I. bill education benefits to family members. Military spouses face unique employment challenges as they deal with deployments and relocations. We appreciate the partnerships being developed between DOD and the services with the Department of Labor and employers. Extending military spouse preference to all Federal agencies would expand employment opportunities for this very mobile workforce.

The coalition is grateful for the implementation last fall of the long-awaited full replacement value reimbursement. Servicemembers still have concerns as they anticipate a move. They can face insufficient housing capacity, both on and off the installation, over-crowded schools, and the shortage of other community support structures due to BRAC and re-basing.

We appreciate your continuing attention to the needs of the families of those who have made the greatest sacrifice, the survivors of those who have died as a result of active duty service. The coalition views the special survival allowance as a first step toward the repeal of the SBP/DIC offset. We would urge this subcommittee to ex-

pand eligibility for this allowance to all Survivor Benefit Plan (SBP)/Dependency and Indemnity Compensation (DIC) eligible survivors.

Family readiness is integral to servicemember readiness. The cost of that readiness is part of the cost of war and the national responsibility. We ask Congress to shoulder that responsibility as servicemembers and their families shoulder theirs.

Thank you. And I look forward to your questions.

[The prepared statement of Mrs. Moakler can be found in the Appendix on page 85.]

Mrs. DAVIS. Thank you.

Colonel.

STATEMENT OF COL. STEVE STROBRIDGE (RET.), DIRECTOR, GOVERNMENT RELATIONS, MILITARY OFFICERS ASSOCIATION OF AMERICA, U.S. AIR FORCE

Colonel STROBRIDGE. Thank you, Madam Chair, Ranking Member McHugh, and members of the subcommittee. My portion of the coalition testimony will address healthcare.

We fully support Mr. Todd Bower's comments on care for wounded warriors and their families. And we very much applaud the first step actions that the subcommittee took last year. But much more is needed.

For one, members and families who are forced from active duty because of service-caused disabilities should retain active duty level TRICARE coverage for three years. The new law does that only for the servicemember, not for the family, and only when no V.A. care is available. That is too limited and too vague for troops facing extended rehab after leaving active duty.

We allow three years active duty coverage for survivors when a servicemember dies. We think the severely wounded and their families deserve no less.

We are also concerned that there is no central oversight to ensure that all departments and services implement best practices for multiple ongoing TBI and PTSD projects. We urge including this responsibility into the newly legislated DOD/VA inter-agency program office.

Finally, we support the disability retirement model in which DOD accepts the VA assigned disability ratings. But we still need to address inter-service differences on what conditions are unfitting and which ones are pre-existing. But we do oppose doing away with the DOD disability retirement system entirely, as some envision, which we think would substantially reduce retirement benefits for many wounded warriors.

On TRICARE fees, we don't support the large increases, as you know, that are proposed by DOD and the task force. And we urge you to restore the $1.2 billion budget cut. We think it is wrong that the task force focused only on cost to the government with barely a sentence on what military people earn for their career of sacrifice.

In 2001 the new Administration's officials praised TRICARE for Life, but now act as if no one expected that providing health care for retirees over 65 would be expensive. We can't see what changed

during six years of war that makes the military community any less deserving of that benefit.

The plan to raise drug co-pays 100 to 400 percent would put them higher than most civilian plans. The Blue Cross Blue Shield plan that Military Officers Association of America (MOAA), my organization, offers our civilian employees has lower co-pays for pharmacy across the board than what the task force proposes for the military.

DOD would quadruple the retail generic co-payment from $3 to $15, and that is higher than 87 percent of civilian plans charge. Wal-Mart is offering generics to any civilian in America for $4. There is something wrong there.

The coalition believes military benefits should be driven by standards and principles, not by the budget. Just as we have statutory standards for most other major military compensation elements, we urge the subcommittee to put some standards in this year's defense bill using H.R. 579 and S. 604 as models. Fundamental among these are that military retirement and health benefits are the primary offset for the extraordinary sacrifices inherent in a 20- to 30-year military career, that extended sacrifice constitutes a very large in-kind prepayment of premiums far beyond what other Americans pay that dwarfs the cash payments that we are so focused on.

Finally, that the percentage increase in military fees in any given year shouldn't exceed the percentage growth in military compensation. For years the coalition has offered to partner with the Defense Department on alternative ways to reduce government costs without hurting beneficiaries. But the department refused that offer.

Now, thanks to Dr. Kassels and General Granger, they are looking at some of our options. And we will be willing partners, if allowed.

One final item—a recent Government Accountability Office (GAO) report confirmed that Guard and Reserve members are overcharged for TRICARE Reserve Select (TRS) by about $50 for single people and $175 a month for families. We urge the subcommittee to cut those TRS fees and direct refunds to the people who have clearly paid too much. We continue to believe—and the Commission on the Guard and Reserve agreed—that the government will save money and reserve families will be better served by authorizing an optional subsidy to continue their civilian family coverage when they are mobilized just as we already do for DOD civilians.

That concludes my statement. And we thank you for your consideration.

[The prepared statement of Colonel Strobridge can be found in the Appendix on page 133.]

Mrs. DAVIS. Thank you.

Mr. Johnson.

STATEMENT OF DAVID JOHNSON, CHAIRMAN, AMERICAN LOGISTICS ASSOCIATION

Mr. JOHNSON. Good afternoon, Madam Chair, and members of the subcommittee. The American Logistics Association (ALA) is most grateful to you for your continued strong leadership in pre-

serving and improving the commissary exchange MWR benefits for servicemembers, retirees, and their families. I ask that my written statement be entered into the record in its entirety.

It is an honor to be here today as chairman of the American Logistics Association representing nearly 250 of America's leading manufacturers, nearly 60 brokers and distributors, service companies, media outlets, and more than 1,400 individual members who are actively engaged in providing goods and services to the military resale and MWR activities. I want to reaffirm ALA's strong commitment to maintaining the commissary and exchange benefit as an integral part of the total non-pay compensation package for servicemembers and their families.

Many of the issues I will address today will be similar to issues raised in prior years. In virtually every instance, progress has been made, but there is more to do.

Specifically, I will address the state of commissary surcharge dollars, Guard and Reserve outreach efforts, Armed Service Exchange Regulations (ASER), exchange joint ventures, and finally, I will provide some comments on some pending legislation.

Madam Chair, I am pleased to convey to this subcommittee a huge well done on the issue of finding relief for limited commissary surcharge dollars. For the past several years, the members of this subcommittee have voiced concern in unison about the challenges facing Defense Commissary Agency (DeCA) with the increased burdens being placed on the surcharge account by BRAC and re-stationing construction requirements.

Your leadership and persistence, along with the determination of this association, elevated the issue to the Secretary of Defense. And in a recent ruling by the DOD general counsel, the determination was made that commissary construction projects that are not necessitated by BRAC or re-stationing cannot be paid out of surcharge, but must come from BRAC or Military Construction (MILCON) funding.

As a result of DeCA's outstanding job managing the military commissaries, shoppers continue to save an average of over 30 percent on groceries when compared to the retail grocery stores. Accordingly, the commissary benefit and savings have become increasingly more important to the National Guard and Reserve members and their families.

In a recent initiative, DeCA and ALA partnered to provide close to $100,000 in DeCA certifichecks to needy Guard and Reserve families just prior to Christmas. In addition, DeCA has set out an aggressive scheduled for increased outreach efforts to support the Guard and Reserve. The longer term need to provide a more permanent solution to affording better access to the retail benefits for the Guard and Reserve may require some out of the box thinking and support from this subcommittee.

Our association actively supports and promotes programs that enhance the quality of life for our military servicemembers, retirees, and their families. Exchanges are a key component of DOD's quality of life programs. Unfortunately, authorized patrons continue to be limited in their choice and selection of merchandise sold in the exchanges.

The armed service exchange regulation, ASER, delineates what can or cannot be sold in exchanges. Madam Chair, it is ALA's position that shoppers should have a choice without restrictions on merchandise sold in exchanges.

Elimination of the furniture restrictions would permit greater availability of furniture, afford servicemembers the opportunity to receive the best possible value, and therefore, provide a true non-compensation benefit with absolutely no burden on the taxpayers. In addition, use of the military star card offers a lower interest rate and payment terms, especially for deployed troops.

Finally, I would like to take a moment to address two legislative initiatives that we are tracking. The first is H.R. 1974, the Federal Employee Combat Zone Tax Parity Act. We support this initiative to provide tax relief for service in a combat zone by civilian employees of the United States. As you are aware, there have been years of tireless service by exchange associates to man field exchange operations under extremely dangerous conditions to support the quality of life of our deployed troops.

Next, we express our support for H.R. 4071, the Disabled Veterans Right to Commissaries and Space Available Travel Act. This proposal would extend benefits to service-disabled veterans with a rating of 30 percent or more and to their families.

The same arguments about over-crowding and cost will be raised that were faced when full shopping privileges were being considered for the Guard and Reserve. It did not happen. The sky did not fall.

In a recent interview with Admiral Michael Mullen, chairman of the Joint Chiefs, he laid out one of his key initiatives for 2008, which was to take care of servicemen and women when in uniform and afterwards. This initiative goes in that direction.

The nature of injuries today and the technology and treatments has changed the nature of disabilities. We support his initiative.

Thank you, Madam Chair and members of this subcommittee for providing industry the opportunity to present its views on these critically important topics. More importantly, thank you for your stewardship over these important benefits that are essential to our military families' quality of life. I will be happy to answer any questions.

[The prepared statement of Mr. Johnson can be found in the Appendix on page 54.]

Mrs. DAVIS. Thank you. Thank you.

Mr. Becker.

STATEMENT OF F. JED BECKER, VICE CHAIRMAN, ARMED FORCES MARKETING COUNCIL

Mr. BECKER. Good afternoon, Madam Chairwoman and distinguished members of the subcommittee. My name is Jed Becker. And I am a member of the Armed Forces Marketing Council (AFMC). I am most appreciative for being given the opportunity to be here today to offer comments concerning the military resale system and the vital role it plays in supporting our troops and their families.

As referenced, AFMC is a non-profit business league founded in 1969. Member firms work on the behalf of the manufacturers who

supply consumer products to military resale activities around the world. Succinctly, the purpose of the council is to encourage the worldwide availability of quality consumer products at the best possible prices and value and to promote unity of effort in this endeavor through a cooperative working relationship among Congress, the military, and the supplier industry.

Member firms are small, privately-held businesses formed in response to the need for efficient, specialized services, marketing, and merchandising. In order to limit my verbal statement, I have prepared a written statement and would ask that those comments are entered into the record.

As backdrop, I would like to note that the military resale stands out as a most successful system. In simple terms, it works well. It is honest, efficient, and responsive. Taxpayers, legislators, and leaders throughout government can share in the pride of this outstanding success story.

Madam Chairwoman, this committee brings a clear legacy of prudence in protecting the value of the resale benefit. It has protected the system from unfounded reorganizations, while it has correctly encouraged and supported the very competent resale operators along their driven path in their process of continuous improvement. In addition to the broad scope balance provided by your oversight, this committee has been effective in recognizing and seizing those opportunities at the margin that serve to maximize the value of the benefit while minimizing the expense to taxpayers.

Looking forward, we would like to call your attention to a few matters on which we seek your support. Second destination transportation funding—Congress has passed legislation that mandates funding the cost of transporting American products to foreign-based resale operations. Maintaining this commitment is of vital importance to the well-being of military families. Your vigilance in directing continuity in this program is requested.

Earlier in my comments I noted that this committee has effectively seized many favorable opportunities at the margin. The AFMC requests your attention to two such opportunities that were mentioned by my colleague here, Mr. Johnson.

First, we remind you that the antiquated ASER restrictions limit the exchanges in terms of the merchandise they can sell. The conditions under which these restrictions were placed have changed dramatically over time. We urge you to grant relief from these restrictions. Such relief would enhance the value of the exchange benefit to all qualified shoppers and would do so at no expense.

Second, the AFMC believes you will find a high yield, highly leveragable opportunity to support our disabled veterans in supporting H.R. 4071 that has been introduced by Congressman Filner. This legislation proposes to extend exchange and commissary shopping benefits to veterans rated as 30 percent disabled or greater. We believe that affording this benefit would come at virtually no cost to the government and would again accomplish a great deal in taking care of those servicemembers who have made a great personal sacrifice in defense of our country.

In closing, I would like to note that the military resale industry is fragile. Shortsighted plans disguised as innovation will continue to threaten its comprehensive efficacy. Most easily overlooked in

this beneficial evolution of military resale is the power of two things: first, the intelligence and awareness of our servicemembers and their ability to recognize a marginalized benefit; and second, the risks we all would assume if we failed to recognize that America is deriving service from resale system employees that exceed their costs.

With very, very few exceptions these are people of high order serving those who defend our freedom. Measures that might break their spirit of purpose would bring tragic loss to all of us. I welcome your questions.

[The prepared statement of Mr. Becker can be found in the Appendix on page 71.]

Mrs. DAVIS. Thank you. I want to thank you all very much for staying within the time and around the time. And we appreciate that.

Let me start, I think, with one of the difficult questions to ask. And that is—and I think you made a good attempt at trying to prioritize. But we know that within all the initiatives that have been brought forth and that have been brought forth for some time—because a lot of this is clearly not new. We have been trying to expand on the benefits for some time.

But these programs really do require mandatory offsets in order to be included in the defense authorization bill, whether it is MGIB, reserve retirement, SBP, DIC, or concurrent receipt. You know, all of them would require us to do that.

So given our limited ability to address mandatory increases, do you feel comfortable—are you in a position to say what the highest priority would be, so that we have a better way of trying to look at the limited funds that we are obviously going to have to work with? And we don't expect there to be a consensus at the table, I can assure you.

But some of you may have played this game that, you know, where you have a list of things up on a wall and you put the green sticker and the red sticker for them—can you put up your green sticker? You know, what is it that you would pick first that you think that we absolutely need to deal with? And we can start with anybody who feels they would like to jump in.

Colonel STROBRIDGE. Well, Madam Chairwoman, I think the members of the subcommittee and the staff, I hope, will agree that we do this every year. We realize that it is impossible for you to do everything and that we do make a good faith effort to try to prioritize and provide you and the staff some options to make progress. It is, you are right, very difficult to pick one item and say we want to do this at the exclusion of some other thing.

We all have associations that represent different segments of the population. And, of course, each has their own priority. But I think we have worked very hard to try to identify ways to make progress on the survivor benefits issue, for example, ways to make progress on the concurrent receipt issue. If we can't do the whole thing, what is the first priority? And we try to establish those.

One of the important ones, I think, that kind of cuts across most of the areas of the population this year, unfortunately, is the TRICARE issue. And the mandatory aspect of that, we understand,

is the pharmacy issue. And it is particularly bad when they propose egregious fee increases.

We realize the challenge that places on you. That affects pretty much everybody. It affects active duty families, many of whom are on TRICARE Standard. It affects the Guard and Reserve families, many of whom don't live near a military facility and have to go down and get their medications. And when you are talking about $15 for generic and $25 for brand name and $45 for off-brand and you are talking about a family that may have four or five prescriptions, that adds up to a lot of money over the years.

So if I personally had to pick one item, I would say that is important. But I would stress that we really want to work very hard with the subcommittee to find ways to identify other progress.

The omission of the active duty death survivors from the SBP/DIC was particularly painful. I think we don't like to see people who are in that situation feel like they have been, you know, left—that somebody is telling them they don't deserve any relief, even as small as that was.

Mrs. DAVIS. Okay. So I wanted to follow up with you because I think that was a relatively small benefit. And some people would say it was almost offensive actually.

Colonel STROBRIDGE. Yes.

Mrs. DAVIS. And so, but at least addressing it in a small way, you think, is helpful.

Colonel STROBRIDGE. We understand from dealing with the subcommittee that—we do realize that that is a small step, that it is the first step. And we believe that in good faith. We know you are trying to do it.

Mrs. DAVIS. Okay. Thank you.

I want to let anybody else jump in. I am going to limit myself to the five minutes, and then we are going to go to other members. And we will come back to a number of other ones.

Yes, Mr. Barnes.

Mr. BARNES. Madam Chairwoman, I just wanted to reference Steve's comments here about in trying to determine the priorities. It is very important with our association, I think as the coalition as a whole, to consider the number of personnel affected.

And the health care funding issue, both with regard to the Department of Defense and the Department of Veterans Affairs affects everyone. It affects many of the issues that have been addressed here. And that is first and foremost on our list. And evaluating these from that perspective is very important.

Mrs. DAVIS. Anybody, real quickly? I said I was going to limit myself to five minutes, but perhaps would you like to follow up with that, Mr. McHugh, as part of your—can you do this in 30 seconds? Or I will come back to you.

Mrs. MOAKLER. I think an issue that is very important to active duty and Guard and Reserve families, especially those of the deployed, is access to quality childcare.

Mrs. DAVIS. Okay.

Mrs. MOAKLER. That is extremely important.

Mrs. DAVIS. Okay, thank you.

Mr. JOHNSON. Yes, Madam Chair. The issue that I see as paramount is continued full support of the commissary funding. It is

the same issue that we address every year. But if you look at the value of that benefit and the return on investment for the expenditures, it is money well-spent. And I believe that we would ask you to consider that——

Mrs. DAVIS. Okay, great.

Mr. McHugh, pick up?

Mr. MCHUGH. Well, Jed, you don't have any thoughts on this?

Mr. BECKER. I do, so I appreciate your carrying this out. I was afraid you weren't going to. Actually, relative to some of the issues that are raised by some of the other panelists, we have the good fortune that you have some oversight involving some assets that, I believe, are immediately leveragable to yield meaningful benefit to this important population.

And when I say that, I mean the existing commissary and exchange facilities that are fully capitalized. They are there. They are accessible to many of these potential beneficiaries. And I will have to return to the two notes that I made in my opening statements.

One is to revisit the ASER restrictions. It is simply take an asset and use it in a sub-optimal way. Without the ASER restrictions, the benefit would be enhanced dramatically without any cost.

The other item was the possibility of expanding these benefits to those who are disabled when defending the country who, again, at no incremental cost to the government or an extremely, extremely low cost, negligible, could enjoy those benefits.

Mr. MCHUGH. Okay. Then let me follow up on your two comments, Jed. Both you and Mr. Johnson may want to address this.

ASER is something that when I had a chance to serve as chair of this subcommittee I supported expanding or narrowing the restrictions, depending on your perspective. The subcommittee under Dr. Snyder has done that as well. And we have had some challenges, shall we say, from, as we are told to call them, the other body.

I am curious. Have you had any opportunity to talk to representatives of the other house and what is your perspective on them? Because the fact of the matter is while there may not be a cost to taxpayers, per say, as I know you are aware, there are those in the private business communities surrounding bases that are concerned about these expansions. But through all of that—I will speak for myself—I have certainly been supportive.

But it gets a little frustrating when we act on occasions and they don't. Have you had a chance to talk to them? I will rephrase the question.

Mr. BECKER. Yes. No, we have. And, in fact, I think in some instances we had thought we had won the support we were seeking. And I would only note that we appreciate your continuing support and your patience while we attempt to work on the other side.

My sense is that in some instances these items have been lost among the many items on their agendas. And I don't really have the sense that we have much opposition not as much as we have a lack of follow up. But we will continue to pursue it and appreciate your support.

Mr. MCHUGH. David, I don't know if you want to add to that or not.

Mr. JOHNSON. No, I don't. I concur completely.

Mr. MCHUGH. The proposal to extend exchange and commissary benefits to non-retirees, 30 percent disabled has been addressed in some of the military trade publications and elsewhere, there are those who are at least concerned that this kind of expansion would serve to erode the benefit to those who are receiving it currently. I am not in any way validating that argument or unvalidating it.

I am curious how you would respond to those who hold that concern. And they hold it legitimately. I don't think there is any reason to denigrate their perspective necessarily. But what would you tell them?

Mr. JOHNSON. What I would say, Congressman, is the same arguments came up when they argued against giving full commissary shopping privileges to reservists several years ago. They thought that it denigrates the benefit of the active duty. And I strongly disagree.

As a reservist myself, I know what a benefit it is for the troops under my command that they have access to that benefit. And I think for our veterans who are 30 percent disabled or more I think that speaks volumes about what we are willing to do for them. And as Mr. Becker explained, it is virtually no cost at all to the commissary system to absorb those shoppers.

Mr. MCHUGH. Just curiosity—the 30 percent figure—is that just associated with the current disability compensation level? Is that where the 30 percent came from? Why 30 percent? Why not 25? Why not 40? Why not?

Mr. JOHNSON. I think we just came out in support of Congressman Filner's bill, which was the 30 percent.

Mr. MCHUGH. Okay. All right, all right.

I don't know if anyone on The Military Coalition side wants to be heard on this or not.

Colonel STROBRIDGE. Yes, sir, I would. And this is one where we do have a difference of opinion with our friends in ALA. And we strongly supported extension of privileges to the Guard and Reserve, so that is not our concern.

Some people, I think, think of this as a wounded warrior issue. The reality is if you are 30 percent disabled in service, you are going to be retired. As a retiree, you will have an I.D. card. You will be entitled to commissary and exchange privileges.

The issue that we are talking about, to me, is primarily people who separate from the service, in many cases serve a civilian career, incur a disability later in life. Those folks, to us, fully deserve their veterans compensation, their disability compensation, their veterans benefits. But that is not the same as serving a career, which is what we see the commissary as part and parcel of the military benefit that DOD provides as an employer to its current employees and its career employees.

And to us that is why we have DOD separate systems from VA. It is a career compensation benefit. If you are disabled immediately, you get it. If you incur it later in life, you are a VA beneficiary, but you are not entitled to the DOD benefits. We fought the commissary subsidy so many times and had to make that argument to justify it it is difficult, I think, to back it away when that argument is not being made because we know it will be in the future.

Mr. MCHUGH. I thank you.

Madam Chair, I see the red light. I appreciate your patience. If there is another round, I would be happy to ask some more questions.

Mrs. DAVIS. Thank you. Well, I think that is an important question. And, you know, we don't necessarily want to put people on the spot, but we understand that there is a real difference of opinion in that and appreciate that we might come back to that issue.

Ms. Boyda.

Mrs. BOYDA. Thank you. Thank you all for being here. This is extremely helpful. For those of us who are freshmen, it is nice to actually kind of participate in this instead of being in this fog where we were last year. So it is wonderful.

Mr. Bowers, I would like to ask you some questions just on when you were talking about—first of all, thank you very much for your service and for going over and being deployed twice. I didn't hear an answer from you when you said—what was—did I hear an answer what your number one priority would be? I didn't.

Mr. BOWERS. Well, overall, our number one priority, what we are going to be working on this year—and then we understand the funding concerns that come along with it—is a more revamped and up to date Montgomery G.I. bill. The reason being is that—and G.I. bill is no longer what it once was. And we see the G.I. bill as one of the most effective reintegration tools for veterans of this generation.

Our second priority that we really are pushing on and one that I think may be more appropriate today is the mandatory confidential counseling for veterans before and after their deployment within 90 days once they return from combat. This requires an initial investment. But we see this in the long term essentially as a cost savings plan.

The issues that we aren't addressing now when veterans return from combat are eventually going to come back and bite us in the rear end about 20 years from now when they have some serious difficulties reintegrating into society, which as we all have learned, is going to come with a higher price tag. We see it as an initial investment and a way to sort of stop these things beforehand. And to be very honest, it cuts out the element of the ten percent.

That is a big elephant in the room right now. But there is always going to be those individuals that may or may not be taking advantage of the system. By requiring mandatory pre and post-deployment screening, you are setting a baseline and having something to follow through with. So you know exactly how combat has affected them, both mentally and physically to some extent.

Mrs. BOYDA. Thank you very much. In your testimony you had said that multiple tours and inadequate time at home and between deployments increased rates of combat stress at 50 percent. Where do you have those numbers?

Mr. BOWERS. Well, I am going to defer to one of our many reports that we just released a few days ago. We have annotated in there where we did get those numbers. And I know that some of the resources that we have had have the numbers come out of the Institute of Medicine and also a few numbers from the Rand Corporation that have been extremely beneficial. But I would appreciate

the opportunity to be able to follow up and provide those numbers to you in-depth with one of our reports.

Mrs. BOYDA. I would appreciate that——

And out of the testimony someone was going to be working with the Advertising Council. Who was that? That was you.

Mr. BOWERS. Yes.

Mrs. BOYDA. I represent Topeka, Kansas, which actually in the district there is Fort Riley, Fort Leavenworth, head of the National Guard for Kansas. But I live in Topeka. There is a VA hospital that kind of was the Mayo Clinic of mental health back in the 1950's. The Menninger Clinic actually came from that.

And so, we work in issues of PTSD and traumatic brain injury, just the whole mental health issue quite a bit. And obviously we are seeing that it is getting very, very difficult to keep and to have trained professionals on. Are you planning to do any kind of Ad Council, again, of asking people to step up and serve their country by serving our veterans?

Mr. BOWERS. Yes, we are. I think what we are doing is we are deferring to the experts in regards to the advertising aspect. And we have been very fortunate to have Batten, Barton, Durstine & Osborn (BBDO) Corporation take us on pro bono to come up with these ads and how it is going to work.

It is a three-year campaign. We begin our focus groups actually next week. And we will be doing a tremendous amount of those throughout the country. And I believe one of the locations include Kansas, to know what people will be most receptive from.

During the World Series we ran two ads to see if this program was going to be effective. And with a partnership with Major League Baseball, ourselves, and the Ad Council we set up a website called welcomebackveterans.org.

The advertisement was very effective with Tom Hanks doing the voiceover saying, "If you, the general American public, even if you have not been touched by the veterans who have served in this war, want to help, here is where you can go to." And we had a tremendous impact.

And we are hoping to be able to see that in our stigma reduction campaigns. Even the name, post traumatic stress disorder leads you to a disorder as a fault.

I always convey to my Marines—and I did this just last weekend—that when you come home from a combat, if you have been impacted by something, it doesn't make you weaker. It makes you stronger.

You harness those things that you deal with, and it makes you a better Marine or soldier, airman or sailor. You are able to see what you have had and be able to build on that.

The Marine Corps always says pain is weakness leaving the body. Well, that shouldn't just be limited to physical aspects. It should also be mental issues.

Mrs. BOYDA. I hope you would let us know in this committee if there is anything that we can do to help further that cause. And on behalf of Staff Sergeant Boyda, who is now 63 years old, Semper Fi.

Mr. BOWERS. Thank you.

Mrs. DAVIS. Thank you.

Dr. Snyder.

Dr. SNYDER. Thank you, Madam Chairman.

Mrs. Moakler, was it you that mentioned the beyond the yellow ribbon campaign? I think it was.

Mrs. MOAKLER. Yes.

Dr. SNYDER. And the funding of it. And I don't know if you saw yesterday when Secretary Gates testified with Admiral Mullen before the House Armed Services Committee, the full committee. I asked him about it, and then Representative Kline brought it up also about the funding for it. And, as you know, we authorized it in the National Guard bill, but it hasn't seen any money yet for it.

I am optimistic that we will see that funding come available through the supplemental process over the next few months. But we all need to follow that along closely. I think the Pentagon is committed to seeing that it is funded and understands the value of it.

And one of Secretary Gates' staff members grabbed me during a break in the hearing. And he had all the numbers down. He knew what kind of money they were looking for. And it is just that we have got to see the supplemental process flow.

So I am optimistic that will happen. But it is something that we all together need to follow.

Mrs. MOAKLER. It is a great program. It was so successful in Minnesota. And we certainly would like to see that enacted in all the other states and territories to help those families.

Dr. SNYDER. Yes. Representative Kline was a strong advocate of that and is on this subcommittee also.

I wanted to spend some further time on this G.I. bill issue. And I just came from Secretary Peake's, former lieutenant general, now Secretary of Veterans Affairs—Peake—his first budget hearing before the Veterans Affairs Committee. And in his opening statement, Chairman Filner talked about one of his goals for this session of Congress is to see—I forget how he explains it, but a G.I. bill for, you know, this era. He wants to really modernize the bill.

And we are seeing a lot of proposals out there. Senator Webb probably has the most far-reaching, which I think would be great, which goes back to the days of right after World War II. I think Representative Bobby Scott has the mirror bill on this side.

Several of you have mentioned different ideas for the G.I. bill. My concern I have about this is we are getting back to maybe where we were a few years. We are all going to come up with great ideas.

The problem we are going to have is the one that we have in the jurisdiction reserve component, active component. One is coming out of the Veterans Affairs Department and that committee, and one is coming out of the Pentagon and this committee. And the two bodies have different ideas.

The Congress is in agreement about it. But the Pentagon is very clear. They see the reserve component G.I. bill as being a management issue. They don't see it as being a reintegration issue.

And I think you can make a very strong argument that even for a reserve component member who comes back and stays in the reserve, if they have been in a combat situation for 12 or 15 months, it clearly is a reintegration issue. I also think it is an issue of in-

vestment in people. People deserve it, particularly if the active component veterans are getting it.

And so, I have this fear that—you know, the last defense bill that was just signed by the President a few weeks ago we made progress on this reserve component issue, but nearly as much as we ought to. And we haven't dealt with the disparity in benefits, the actual amounts. We haven't dealt about the disparity between what the G.I. bill pays versus what cost of a four-year education is. We haven't dealt with the $1,200 issue.

I mean, there are a lot of issues we haven't dealt with. I think we are kind of getting in a situation now where we are all coming up with these ideas. The bottom line is, I think, that if we don't deal with this conflict in jurisdiction between the Pentagon and the Department of Veterans Affairs, none of these things are going to go very far.

And so, it comes back to this idea of the bill that the staff here worked on a lot. And it is very complicated trying to merge these things together. Because until it gets under one jurisdiction I think we will continue to hear from people in the Pentagon it is a management tool, our reenlistment is good for reserve component, we don't need to change that benefit.

And some of you may know from the past with Secretary Dominguez, who is a very nice guy, but, I mean, he actually—I kind of backed him into a corner and said, if we can keep—were you there, Colonel Strobridge, when I said, "Well, if we reduced it by 50 percent and reenlistment rates stayed the same, you are okay with that? If we reduced it by 80 percent?"

I mean, he had to acknowledge yes, he was, because as a management tool, if the reenlistment rates for reserve component are the same, it means you don't have to change the G.I. bill. And I think that misses the point of the G.I. bill.

So I have rambled on too much with this. But my basic question is do you all have concerns that we now are getting a lot of ideas about the G.I. bill but if we don't deal with this issue of jurisdiction that the Pentagon and the Department of Veterans Affairs being separated we are not going to make much progress in the G.I. bill.

Again, Colonel Strobridge, if you don't mind——

Colonel STROBRIDGE. Yes, sir. As I know you know, we strongly supported that initiative last year.

Dr. SNYDER. Yes.

Colonel STROBRIDGE. We agree with you that is a fundamental underpinning. Very frankly, we thought that is what we were going to get last year rather than—we were hoping for the reserve transition, but we were kind of surprised to get the reserve transition and not the consolidation.

We agree with you that that is a key issue. From our standpoint, there are so many initiatives out there, we would agree with almost any of them. The issue is what can be done.

You know, we are sort of in the same boat we were when you asked us to prioritize things. We will take just about anything that is progress because there are so many problems.

I can't think of too many bills out there that we wouldn't support. And whatever works out to be the lowest common denomina-

tor that Congress will support, you will find our enthusiastic support for.

Dr. SNYDER. My time is up, and maybe we can go back around. I will go at this again.

But it is going to be hard for us to have a Senator Webb-type bill or a comprehensive donor-type bill without bringing this together because we could do a Senator Webb bill, but I bet it would not include reserve component, the way the jurisdiction currently is.

In the next round I will pursue this further so more of you can make comments.

Colonel STROBRIDGE. Madam Chair, would you indulge me for 15 seconds to fix a grievous omission in a previous answer?

Mrs. DAVIS. Sure.

Colonel STROBRIDGE. My conscience is really bothering me. You talked about prioritizing. One of the really important things is the Guard and Reserve retirement system where we did it prospectively and we didn't give credit for those years of repeated tours in Iraq that have already been served. That is a huge priority.

Mrs. DAVIS. Great, thank you.

Ms. Shea-Porter.

Ms. SHEA-PORTER. Thank you.

I was very interested, Mrs. Moakler, when you started naming daycare as the top priority for you. Could you expand on that a little bit and tell us exactly why that came first with all the other issues that we have heard about?

Mrs. MOAKLER. I think as families continue to live through deployments, the need for respite care is growing. And that is a segment that we really haven't addressed in childcare before. Because when you are a single parent with a deployed servicemember, you need a break. You need a break.

And there is really not enough designated drop-in care for folks at most military child development centers. But there is a real need to leave the kids for a day or so and have that open. And a lot of installations are opening up their child development centers for respite care.

We also have the added need for the parents of children with special needs where they need respite care as well. And what agencies are they going to look for? They are going to look for that excellent child development center on the installation to be available to them as well as one of their benefits. So that is why we are refocusing a little bit this year on the basics, on those basic benefits that we want for military families in peacetime and in war.

Ms. SHEA-PORTER. Okay, thank you. And could you tell us a little bit about the children who are at the daycares right now, the changes and what you see is necessary for the daycares to treat the special conditions that the children are experiencing?

Mrs. MOAKLER. I think we are looking forward to some of the research that is going to be done on the affects of deployment on children. We are doing some of that within the National Military Family Association. We have our Operation Purple Camp. And we are surveying children and parents as to how the children are dealing with deployment and the war and how parents perceive children dealing with deployment and the war.

We are also working with the folks who look at the very young children, from zero to three, who previously people might not have considered how they were reacting to the absence of a parent for a great amount of time, reacting to the stress that the single parent is going through. But more and more research is being done into that. And we are hoping that as they come out with an outcome that this will be able to be offered to the caregivers of the young children.

Ms. SHEA-PORTER. And Congressman Jones tells the story—and it just keeps sticking in my mind—about going to read to some children at a military facility. And one of the children saying to him my daddy is not dead yet.

And I am wondering, you know, obviously this is having an impact on these children and if they are able to take care of them through the daycare centers, if there is special training, if there is money available to train the people who are working with these children every day. And those kids have the same kind of anxiety that Congressman Jones talked about seeing.

Mrs. MOAKLER. And we are educating these young parents, too. I know we have new parent programs with the military. But in our testimony we spotlighted one young man, and he happens to be the son of one of our staff members. His dad was deployed for six months, and they were getting ready to go to the airport to pick him up.

And he seemed very reluctant to go with his mom to the airport. And his mom couldn't understand what the problem was. And part of the problem was that he wanted to know will daddy still like me.

And, of course, his mother was just floored that she hadn't stopped to consider what his feelings might be, what his worries might be with his father coming back. So just making parents aware to ask the right questions and to kind of anticipate the reactions of their children to the deployment is very important.

Ms. SHEA-PORTER. Thank you. My time is expired.

Mrs. DAVIS. Thank you. Thank you. It is my time for questions, so I will go ahead and do that, and we will have another round as well.

I believe it was yesterday Admiral Mullen mentioned or said in the middle of testimony over on the Senate side when asked about the services—he said the services are not broken, but they are breakable. I am wondering if you were to say to him, you know, this is what you should look for, this is where the indications might be, particularly as it relates to families and those coming back, what would you tell him, what maybe in parlance metrics? What would you want him to be looking at that you think would be an indication of where we are?

Do you want to begin?

Mrs. MOAKLER. I think that we want to make sure that the families have the tools to deal with the deployments, that they have access to counseling when they do run up against a brick wall, when they can't handle the 15-month deployments any more. We also want when the servicemembers do come back, as part of their reintegration process, that they are given time to come together again as a family because they need that time in order to sustain them when the deployments come again.

And so, giving lip service to two weeks off or a limited amount of time when the servicemember comes back to be with their families and then it is right off again into training or, you know, don't take too much leave. Even though you might have that 30 days, you know, don't take too much leave because we need to get right back into the saddle and get going again. Families need time to rebuild, they really do.

Mrs. DAVIS. Anybody else?

Mr. BARNES. Excuse me. Madam Chairwoman, I just want to reference the importance of adequacy of end strength. And the workload continues despite many of the draw-downs and reductions in personnel. And I know from personal interaction and information I have received one on one that in many cases, particularly with regard to the Navy, due to shortages of certain job specialties and what have you, exacerbated perhaps by ratings, consolidations, and what have you, that senior enlisted personnel bear a growing responsibility to fulfill the jobs and the requirements of their subordinates because of vacancies in their company, their division or what have you.

So the adequacy of end strength is very, very important. I know with regard to the Navy that individual augmentees continue from the—for support of the war effort. Those individual billets are taken out of hide at the command activity level. And the work goes on. So that, in and of itself, is an example of stress on personnel and the importance of the adequacy of end strengths.

Just a final aspect, as you all know—growing career personnel to serve in key positions because of their technical skills is very, very important. And when we are downsizing and requiring those personnel to depart from the service, that has a significant impact. But I reiterate that the scope of work continues despite decreased personnel.

Mr. BOWERS. If I could just draw in on sort of a personal aspect where my unit is preparing to go on our fourth deployment, we fulfill a very important role within the Marine Corps. And that is civil military operations. We are a civil affairs unit.

When these conflicts started, I think that there was a difficulty in understanding the end strength of how many people we would need to fill these civil military operation roles. So I have sort of made up my own phrase for this. But I refer to it as interhumantation, where we are seeing other military occupational specialties fulfilling other military occupational specialties where there may be gaps.

For my specific instance, the Marine Corps is utilizing our unit to fill civil military operation gaps. This may be effective, but it is a very slow process. It takes a long time to get someone who has spent their entire career known as "Death from Above" to start reintegrating and working with civilians on a battlefield. It is a possibility, but it is very difficult. And that is why looking at the overall scope of what jobs are needed for a coin or counter-insurgency operation is going to be most effective.

We discussed a lot of this, too, and I draw back to another one of our reports appropriately titled, "A Breaking Military," that I would be happy to share with you today where we look at these number factors. We look at where the end strengths will be and the

impact that lengthy deployments will have on individuals and, again, their families.

Mrs. DAVIS. Thank you. Thank you. I appreciate that. It really departs a little bit from some of the specifics here, but we have such a great group of witnesses, and I wanted you to be able to comment.

Mr. McHugh, do you want to go on, and I will come back and do a few other questions?

Mr. MCHUGH. Mr. Becker, in your comments—I may miss a word or two of the quote here, but I think I got it pretty quickly. You summed up and said we should be aware of what you called short-sighted initiatives disguised by innovation. Do you recall that?

Mr. BECKER. I do.

Mr. MCHUGH. Whatever do you mean?

Mr. BECKER. In my several years in this industry, sir, I have had the opportunity to witness what were some very creative efforts to alter the benefit. And in some instances they have included initiatives to alter the composition of the commissary benefit by, for example, increasing the surcharge to effectively offset the costs of the commissary to an increased extent on the backs of the patrons.

And I think I understand the ingenuity behind it. But I would caution that the consumers at the other end of that equation would very quickly figure out what had happened and that its creativity would be overwhelmed by its failures.

I think likewise there have been efforts to consolidate exchanges in a forced manner with a belief that what is bigger is better. And I am not sure that in my commercial experience there is evidence of that. And I know for certain it is back to the people factor that I noted in my last comments. A lot of the folks who are working in this channel of commerce separate from being a delivery system are people who have an affinity for the community they are serving.

And an enterprise made up of people who are committed to the end users can lose the spirit that they bring to work every day if they are forced into a machine designed by someone elsewhere. And so, in those two instances I think were raised as ideas with all good intent, but without experience close at hand to the business itself.

Mr. MCHUGH. Thank you.

Mr. Johnson, you used the phrase out-of-the-box thinking. You encouraged us to use that. Do you have any out-of-the-box thoughts for us, suggestions?

Mr. JOHNSON. I do. With regards to the commissary benefit and getting greater outreach to Guard and Reserve, greater use of the Internet, some off-site caselot sales to Guard and Reserve units, maybe even mobile-type stores in an armory-type unit, to reach out to those Guard and Reserve families who are not necessarily close to a military base.

Mr. MCHUGH. Thank you. I have got a few moments here, so I am just trying to remember. I think it was Mr. Bowers. In your statistics in your presentation, your written presentation, you talked about 20 percent of the troops in Iraq identify as going to seek a divorce. Did I hear that correctly?

Mr. BOWERS. Yes.

Mr. MCHUGH. And I truly don't know, and I am just curious. Do you know what the rate is for non-deployed troops that will seek divorce? Or is that not the kind of thing we ask people? I don't know.

Mr. BOWERS. For non-deployed troops, I know that the rate is higher than the national average. But in no way, shape or form is it anywhere near that amount.

Mr. MCHUGH. So if you are deployed, that 20 percent figure is higher than it would be if you were not?

Mr. BOWERS. Yes. And I have also found that with multiple deployments this is having an increasing impact whereas the percentage rate goes up per deployment.

Mr. MCHUGH. Right. But would it be possible to get some data on that, if you have a chance?

Mr. BOWERS. I would be more than happy to.

Mr. MCHUGH. Great.

Mr. BOWERS. Again, for the third time, I am going to fall back on one of our—little reports——

Mr. MCHUGH. That is fine. That is fine. If that is in there, that is great.

Mr. BOWERS. Yes, sir.

Mr. MCHUGH. And let me ask the question about another reference. And you may choose to give the same answer, and that is fine as well.

You talked about in the mental health area there are presently 19 percent of returning troops self-identify as having a mental health problem. And yet in the study you noted—within the year 35 percent actually seek mental health care.

Did that study, do you know—and if you don't, maybe you could find, was 35 percent totally the result of the deployment? In other words, it is certainly possible for someone to come back, not have a mental health problem and a year later have a mental health problem that had absolutely nothing to do. I mean, that happens in the Congress all the time with going away. So is that 35 percent deployment-related, or is it a percentage?

Mr. BOWERS. Yes, those numbers are actually derived from a GAO study that was done on the effectiveness of the PDHA and the PDHRA.

Mr. MCHUGH. Okay.

Mr. BOWERS. So the only individuals that were incorporated in those numbers were individuals who actually filled out the PDHA and the PDHRA.

Mr. MCHUGH. No, I understand that. I apologize for not making myself clear. Within a year 35 percent then say I have a mental health problem, I need care. I am curious are all of those 35 percent then seeking mental health care and counseling because of the deployment? A lot of things can cause you to seek mental health care other than rooted in the deployment.

Mr. BOWERS. Yes, and I believe I can find that out for you most definitely.

Mr. MCHUGH. Okay, great.

Mr. BOWERS. But I would say that those numbers are increased greatly by the sheer impact that combat deployment makes on——

Mr. MCHUGH. I have no doubt.

Mr. BOWERS. Yes.

Mr. MCHUGH. I am just curious. Because as we pursue this, it is going to come up, so it would be better to have the answer before.

Mr. BOWERS. Definitely.

Mr. MCHUGH. That is all I am saying. I have no doubt about that. I am not challenging you at all. I am just curious how the data breaks out.

Mr. BOWERS. Yes. And I would be more than happy to—we have been punching numbers until midnight the past few days. So——

Mr. MCHUGH. Okay? Terrific. Thank you. Believe me, I understand. Thank you very much.

And thank you all.

Thank you, Madam Chair.

Mrs. DAVIS. Thank you.

Ms. Boyda.

Mrs. BOYDA. Yes, actually I would like to just make a few comments, one I should have said earlier. But I just came off the floor, and Representative Edwards and I had offered an amendment that, I think, will be passed. It says in-state tuition for all of our active duty, no matter if you get moved or whatever. Once you start, you have got in-state tuition.

So I just thought you might want to be letting your members know that we expect that to be passing whenever we get back here. We will vote on that, and that should be good to go.

And then, Kathy, I would just like to congratulate you on the Purple Camps and how it just keeps on moving up and they are doing more and more. Some longitudinal data and really looking at, not only what is going on with our families, but what is actually impacting our families adversely and positively and collecting that data in a very, you know, rigorous manner. So it is exciting.

And I hope everybody is as supportive as they can be for all the money that goes into it. And you guys have pulled it off. So thank you very much.

Mrs. MOAKLER. Thank you.

Mrs. BOYDA. I would like to go back just to the issue of what we were kind of talking about a little bit earlier, too. And that is the one to one deployments that we have been keeping on talking about. And it sounds as if the one to one deployments everybody says gee, that is a really good idea. I hope we can get there soon.

And there isn't a lot of clarity yet about what soon means. But, you know, would you all weigh in on what you would recommend to Congress, to the DOD, to the Secretary of Defense? If we don't get one to one deployments any time, you know, within the next few months, what does that mean?

Colonel STROBRIDGE. That is a hard question. Maybe I will try.

Mrs. BOYDA. Thank you.

Colonel STROBRIDGE. I think the answer is that the committee is already trying as fast as you can. End strength increases—that is the key thing. We realize there is limitations on the possible. We were asking before what are the indications of problems. To me, you know, we are becoming deaf from alarm bells and warning sirens, it seems like.

You know, when we have the Department of Defense saying if you were meeting our retention and recruiting goals—I am saying, at what cost. Look at the bonuses that we have to give to people to get them to stay. Look at what is happening to the families that we all know we kind of get, you know, deluded by the possible, I guess, you know.

I don't think anybody at this table would say one to one is what we want for the force for the long term or even necessarily one to three. The first time we heard the Army talk about one to three about five or six years ago, most of us looked around the room and said, "Good grief, that is way more than we ever had." You know, one to three would cause huge retention problems.

And I think we are amazed that even with the bonuses retention is as good as it is today. And I think that tells you probably what Todd will tell you, that people are going to save their buddies because they know somebody else is going to have to go if they don't.

You know the answer. You are trying to do it as much as you can. We all feel the same pain, I think.

Mrs. BOYDA. Are you part of that voice then again, saying this needs to be done sooner than later?

Colonel STROBRIDGE. Absolutely. The biggest thing that we are concerned about, very frankly, for the long run is people saying, "Gee, if we manage to draw down the forces in Iraq, maybe we won't have to plus up the Army."

But to us, we need to plus up the Army no matter what. The lesson that we learned from this one is that we didn't have enough troops to fight a major war. You never know when a major war is coming. We need to be better prepared for the next one than we were for this one.

Mrs. BOYDA. Thank you.

Todd, did you have something?

Mr. BOWERS. I would just agree with that. When I mentioned to my mother that I might be going back for my third tour and she was choking me, it was hard for me to convey to her that the reason being is that I am going because my Marines are going. And that is the final issue. If they go, I go. There is no questions asked.

And it is going to be an honor to go back for a third time. But I think that with these increased numbers that we all have sort of been in agreement on here, you know, it is going to make a stronger fighting force and give us more time to train, re-up, and be ready for the next fight.

Mrs. BOYDA. When I am out in my communities and questions like this or comments like this come up, I try very much to say that many of our families are doing just fine. You know, that no matter how many times they have been deployed, they are going to go back out there and do what it takes. And they are doing just fine.

And many of them aren't. But I try to make sure that I differentiate that a lot of families out there that don't want to be brought into this conversation—everything is fine and they will do whatever it takes for however long it takes. And many of them aren't. So this is like most things. It is a mixed bag. You need to be sensitive to situations. But again, thank you for your answers.

Mrs. DAVIS. Thank you.

And, Ms. Shea-Porter.

I am sorry. Dr. Snyder?

Dr. SNYDER. Thank you.

Mrs. Moakler, I appreciate your attention today to children of our military families. A couple of weeks ago a family member returned from his second tour to Iraq. His Air Force tour was a four-month tour. It was the second time he went. Both times he was gone his wife has been pregnant.

So this time when he returned, we were all out at the airport with balloons and signs. And his little toddler was out there. I think he is four years old, although I am embarrassed I can't remember.

But, you know, when you see people come off the plane and there is the husband and the wife hugging and the congratulations and all, that moment when the little boy went over to be with his daddy, I almost felt like that was a private moment that it was so poignant. You know, that I felt like I didn't mind watching him kiss his wife.

But I felt like that moment with the little boy was just so private and so important that it really brought home to me how important those relationships are and how important they are to families. And anyway, I appreciate it. That is just a long way of saying I appreciate your attention to children.

I want to go back to this issue of the G.I. bill and, Mr. Bowers, maybe give you a chance and anyone else that wants to comment. I have got questions I am saving for this end of the table, too. But, Mr. Bowers, if you want to comment on the issue of the G.I. bill and this jurisdiction or anything else that you want to talk about. Because you mentioned that in your discussions also.

Mr. BOWERS. As I mentioned before, the G.I. bill is something that we are going to be really focusing on this year. It is one of our top priorities. I can tell you that probably about 80 percent of our membership that we have been talking to has a tremendously difficult time with getting through college. I relate that to the amount of deployments that individuals are using.

And we do stand by—we would love to see a picture perfect Montgomery G.I. bill similar to S.22, Senator Webb's Montgomery G.I. bill for the 21st Century. And I attribute that to a partnership that we had with the VFW where we took Iraq and Afghanistan veteran members and also VFW members who had served in the Vietnam War and met with different offices and said, I served three tours, a cumulative of 3.5 years active duty next to the Vietnam veteran who served roughly one year.

And then we compared how much each of us pays by the numbers for college. And the varying differences were incredible. And so, we do stand by that we would love to see it updated to at least what it once was to be more efficient.

Dr. SNYDER. The challenge you are going to have is your membership is both active component and reserve component member. Correct?

Mr. BOWERS. Exactly.

Dr. SNYDER. And I think the challenge that you are going to have is what are you going to do when either on the veterans side we are able to deal with the active component veterans and raise that G.I. bill benefit—and if we are able to do that, I think the great

likelihood is it will be difficult for the reserve component benefit to follow through this committee because we already have budget issues with the guard to the present budget proposal and how we fund things or to place catch-up in reserve component. Some of us would think that ought to be the first step.

And so, it just seems like this issue of the jurisdiction is going to—I mean, I applaud the laudatory goal you have stated. But I think the practicality is it is going to be—we have got some difficult terrain to get through anyway. And to deal with the jurisdiction issue makes it even harder. Has your organization thought through this issue of reserve component versus active component?

Mr. BOWERS. We have. And we have often looked at the idea of recodification under Title 38 and seeing if that is the most effective measure. And that is something that we are still looking at to see is that something that would be beneficial. I know that we do say that we don't see the G.I. bill specifically as a retention tool because if you serve four years versus 16 years, your benefits are still the same.

Dr. SNYDER. Right.

Mr. BOWERS. So when we hear that debate, that many times comes up, we don't feel that that is exactly realistic.

Dr. SNYDER. I think the only people that actually see the G.I. for reserve component as being only a retention tool is a very small group of high ranking civilians in the Pentagon.

Mr. BOWERS. Yes.

Dr. SNYDER. I think almost everybody else does not agree with that.

I wanted to, before my time runs out, at this end of the table—would somebody give me my annual update on fresh produce?

Mr. BECKER. I think your original interest in fresh produce stemmed from a personal experience in witnessing that particular category and how it was treated in a particular commissary.

Dr. SNYDER. Mold.

Mr. BECKER. I am of the belief that there are probably other experts——

Dr. SNYDER. Actually, no, that is not true, if I might correct you. It came from a hearing right here.

Mr. BECKER. Is that right?

Dr. SNYDER. I think it was a Marine gunnery sergeant who, I think, John, had come back from overseas and somebody asked him do you have any problem with—what have you heard from your family. And he said my wife thinks the produce is bad.

So then a week or two later, I went out to Little Rock Air Force Base and looked at their produce. And it was worse than what his wife thought their produce was. But it started right there at that table. In fact, he was sitting right where you are, I think, Mr. Becker.

Mr. BECKER. Well, I can't forego the opportunity to let you know how—what an impact you have had on the commissary system in the fact that—I think one of the greatest success stories in the last couple of years is the tremendous progress that has been made in the area of produce. Sales prove it. Customer satisfaction proves it. So the long arm of Congress has touched the commissary system once again.

Dr. SNYDER. Good. Thank you.

Mrs. DAVIS. Thank you.

Mr. MCHUGH. If I may, if the gentleman will yield. I would note, however, you have not had similar success with your annual interest in tattoos.

Dr. SNYDER. No, no, not impacting the tattoo policies at all.

Mr. MCHUGH. No, 50 percent is pretty good.

Mrs. DAVIS. Ms. Shea-Porter. And then we will go to Mr. Jones.

Ms. SHEA-PORTER. Thank you. I have to laugh because I had a relative who ran the commissaries in Europe years ago, and nothing has changed. This sounds familiar to conversations from decades ago.

Anyway, what I wanted to ask, please, Colonel Strobridge, I wanted to talk to you a little bit about what I heard yesterday in the HASC hearing with Secretary of Defense Gates and your reference to some of the health care issues, TRICARE specifically. I was looking at the defense budget yesterday, and they are looking for efficiencies and ways that they plan to save money and said that, really, it is a monkey on their backs how much the cost of health care is.

And then I listened to your reference about TRICARE and the fees, the increase in fees. And I wanted to have you take the opportunity to talk about it for a moment or two and if you think any of the fees should be raised and if not, if you have any other ideas.

Colonel STROBRIDGE. Yes, ma'am. Number one, we think DOD is vastly overstating the concern about the cost bogey relative to the rest of America. When health care is 15 or 16 percent of the national economy and we are worried about the defense budget going from 8 percent to 11 percent, from our perspective, gee, that is a lot better than the rest of the country is doing, to start with.

Number two, one of the points that we have made consistently is that DOD seems a lot more interested in shifting costs to beneficiaries than they have been so far than getting more efficient themselves. The example that we use is the mail-order pharmacy system where DOD constantly talked about we need to raise copays in the retail system to shift beneficiaries to the more cost efficient mail-order system when they knew for six years exactly which beneficiaries were using which high-cost drugs and never once spent a then 37 cent stamp to go ask them do you realize how much money you would save if you used this mail-order system.

And we offered to partner with them to do that. Our organization produced a brochure trying to push people to do that. DOD never did. And so, we have listed a bunch of different things that DOD could, one of which the Congress did last year, requiring the Federal pricing in the retail system. We will be very interested to see how that works on the dynamics of the pharmacy.

But our view is when we have gone to talk to the Department of Defense whatever we proposed was that doesn't get enough money out of the beneficiaries, we are not interested in that. As a matter of fact, we were told point blank we are not interested in working with you. We are out to get X dollars out of the beneficiaries.

Now, that was some time ago. And, as I said, to Dr. Kassels credit, he has reached out to the beneficiaries more. And we are opti-

mistic we will get some progress on those kinds of things. But to us we certainly have a long way to go.

I think one of the things that we overlook is that the military system is inherently inefficient. The mission of the military medical system is war, wartime readiness. When we deploy the doctors and then have to shift all the beneficiaries to the private sector, we can't complain that the beneficiaries are costing more money.

You know, when you close down access to military facilities and push people out to the retail pharmacies or we close installations so that people no longer live next to military pharmacies, we can't complain that somehow the beneficiaries are costing more money. When Congress says that it is wrong for military retirees over 65 to be thrown out of their military health care benefit and we are going to authorize them TRICARE For Life and TRICARE Senior Pharmacy, which we did in 2001, it is wrong, in our view, to come back and then use the numbers and say, "My gosh, look how much costs have increased since 2001."

Congress knew that. We knew it was going to happen. We did it intentionally. It was no surprise.

Ms. SHEA-PORTER. Before I run out of time, let me ask you a quick question. When my husband was in the military, we had very easy access. We didn't have TRICARE. We just went and got what we needed. Are there people making decisions now not to fill prescriptions because, in spite of the benefit, they still don't have the money to make up the gap? Do you know that people are actually refusing or are unable to accept service or a pharmacy prescriptions that they need?

Colonel STROBRIDGE. I am sure there are some older people who have many medications doing that.

Ms. SHEA-PORTER. Okay.

Colonel STROBRIDGE. The military co-pays for pharmacy right now, I have to say, are pretty reasonable. When you start going from $9 to $25 or to $45 because we are pushing more and more medications to the non-formulary and you have older people who take a lot of medications, that is a lot of money that we are asking people to—and as I have said—and I have some statistics that we went out and got from private sector surveys, if the subcommittee is interested.

The pharmacy benefit proposals they are offering, they are recommending in the budget are worse than most civilian plans. And to us, if one of the purposes of the health care system is to say if you served 20 or 30 years under these adverse conditions, we will give you one of the best deals in America, that is not it.

Ms. SHEA-PORTER. Thank you.

Mrs. DAVIS. Thank you. I might just mention it would be interesting to me and I am sure the committee if you have some suggestions that you have put forward that you feel have been ignored, you know, dismissed, even if they have what may be seen as a marginal impact, I think we would be interested in looking at them.

Colonel STROBRIDGE. We will be more than happy to provide those for the record.

Mrs. DAVIS. It is the cumulative impact. And that would be good to see. One of the things that we are going to do is have an oppor-

tunity in members' districts to talk about health care at length. And I would be interested in some of those suggestions.

Colonel STROBRIDGE. Yes, ma'am. You know, if I can offer just a couple of modest examples that are just incredible to us, one of the worst things that you can do is smoke for your future health. And yet TRICARE doesn't pay for smoking cessation services. You know, what kind of no-brainer is that?

Mrs. DAVIS. Thank you.

Mr. Jones.

Mr. JONES. Madam Chairman, thank you. I wanted to be here earlier because of this panel and many friends, and I see new faces I didn't know. But I listened to you. Yesterday I had the Marine League, people from all around this country, men and women who had served in the Marine Corps coming in talking about their issues.

And I hope, Madam Chairman—I don't know who the nominee is going to be for the presidency. But when I look at the numbers—and I am not talking about your numbers. But I look at where this country is, where we are going, and I don't know where the money is going to come from.

Yesterday Mr. Gates—I am going to use it again. I like him. I complimented him on being a man of integrity, something we didn't have prior to Mr. Gates, quite frankly. That is my opinion.

But we are providing the blood and the money. And I was enraged last week to read in USA Today of how those who were supposed to be our allies are not meeting their pledge. So these people who are not sending any of their troops to fight—primarily the Middle East, the Saudis, and others—had agreed to a pledge of $15.8 billion to help rebuild Iraq. As of this time, they have paid $2.5 billion.

This country, America, has already spent $46 billion to rebuild Iraq. And, Madam Chairman, whomever this President is, he, she or it, I don't know who it is going to be. But there has got to come a time that this country says to those who are getting rich and rich because they are charging us $87 for a barrel of oil—so the American taxpayer is paying for it.

The American taxpayers' sons and daughters are dying and losing their legs. Many are going to come back and be retired like many of you at this table.

And when I hear what you are asking for—and you should be able to get 95 percent of what you are asking for. But if this country doesn't understand that borrowing money from foreign governments to pay our bills means we do less for the American people and those who have worn the uniform. And I didn't come down here to be outraged. I just came down here to, quite frankly, listen to you knowing that what you are asking for we ought to be able to accommodate 75 to 80 percent.

But when you are trying to police the world and nobody is helping you pay the bill, it is coming out of your programs. And I hope and pray that the next President and those of us in Congress in both parties will come back to understand that a country that is in financial trouble like this country better get on sound footing and start taking care of its people first before we take care of everybody else.

And I don't have a question to ask. I am familiar with some of these issues. I just want to vent and show my frustration in your behalf, quite frankly. Thank you.

Mrs. DAVIS. Thank you. Thank you, Mr. Jones.

I wonder if I could just turn to you for a second, Mr. Bowers, and talk a little bit about the mental health issues.

Mr. BOWERS. Yes, ma'am.

Mrs. DAVIS. And you have mentioned how important it is to reduce the stigma for servicemembers. And, in fact, there have been some programs, I think, that have been put in place of retained teaching to try and help commanders as well as kind of a peer teaching program. But I don't know that that has really been implemented yet in a way that we would see any true results at this point.

Could you tell us if you think—is that a proper way to go, to educate, when people come into the services early enough or before they deploy? And when it comes to families, I was talking to some people involved with wounded warriors one day in my office. And we were talking a little bit about the education and training because some of the troops that I have met with at Balboa had said, you know, we need to do this really early. We need to understand these issues so that they see it in themselves and others.

And I was told you don't want to, you know, deal with that too early because families are too nervous when their loved one is deployed. So bringing up the importance of understanding these mental health issues too early could, you know, be difficult.

Mr. BOWERS. Exactly.

Mrs. DAVIS. What would you say to that? I mean, how early should this education begin? What part of the deployment process should it be part of? And how do we best inform families as well? Is that earlier, or is it after the fact? You know, really early.

And let me just follow up one or two quick questions. You said that you thought a coordinated approach to suicide prevention would be more effective than the current programs, which really are by individual services. And I wonder if you could comment on that, whether we need to do that in a coordinated way or more separate.

And the other issue really is whether or not the changes that we are talking about in having, you know, early screening and whatever—do we need time to really see if they are working? Or should we be talking about expanding programs early or doing something different? You know, how much time would you assess we should wait in order to see if something has actually taken hold?

Mr. BOWERS. Well, I think I relate this to the reason we would like to see mandatory pre- and post-deployment screening is that because then that reduces the stigma hands down. I connect this to in the late 1980's when we required all members of the branches of service to start taking mandatory drug testing. Before then, individuals were called in to take either a urine analysis or a blood sample, and the stigma began, and people started talking and saying, hey, sergeant so and so is doing drugs because he just got called in to do testing.

It wasn't until we required everybody to do it that that stigma vanished. It was no longer a thought that if you are called in to

do drug testing that you are using drugs. That cuts that element away right there.

I look at this, honestly, as a cost savings plan. If we can do it before and after their deployment and know the exact impact that is there, then we know it has happened.

Your comment about when do we start training these individuals—I would like to see—and something that we have discussed is I would like to see more integrated programs with combat medics and corpsmen that are the individuals that are on the front lines to be able to recognize combat stress. These are the individuals that are there on the ground. And they are the ones that can be prepared to handle a lot of these issues.

I tell my Marines regularly that I am not a mental health expert, by any means. But I can tell when one of my Marines is in trouble.

As things are laid out now, we are required to self-diagnose. I don't know when I am having a hard time. But the people that do know once I return home are the families. They are the first line of defense. And what better time than when an individual is deployed to begin training programs with the family to help recognize this?

There are programs—and I am sure National Military Family Association (NMFA) can comment on this more accurately. But there are training programs right now for individuals. There is key volunteer programs. There is the battle-mind training, a program that the Army has instituted approximately 18 months ago where they are addressing these issues. But by being able to recognize it right when individuals need it the most is going to be the most effective way.

In regards to suicide prevention, we have been extremely pleased to see the Department of Veterans Affairs establish a suicide prevention hotline. We have seen the branches of service do suicide training. For National Guardsmen and Reservists, though, this is a very difficult task.

We get the opportunity to see these individuals once every 30 days, and that is it. It is hard to assess whether someone really needs to be reached out to to get help.

With that said, I would love to see a DOD-wide sort of survey or program or report to find out what the most effective measures are. Currently I really do believe the Air Force has done that. Based on their numbers, that they have seen a 30 percent reduction in suicide with their programs.

If DOD was able to harness the successes that the Air Force has had and spread that Marine Corps-wide—excuse me, can you tell I am playing favoritism here? If they go DOD-wide with a lot of these initiatives, we are going to be extremely beneficial in the long run.

Mrs. DAVIS. Thank you.

Mrs. Moakler, did you have a quick response in terms of families? As I said, it was suggested to me that if you talk about this too early, people are just going to be scared even more than they are.

Mrs. MOAKLER. I think families need to be educated so that they are enabled to take care of their own quality of life, to address their own issues without any kind of doom and gloom, like this is

exactly how you are going to feel. I think they need to be educated about how these feelings are natural. You are going to encounter a certain amount of stress.

Todd mentioned battle-mind. There is a spouse battle-mind. DOD has come up with fact sheets on military home fronts and deployment health websites that are easy to read, that families can look at and say, "You know, maybe I am feeling a little bit like that. No, it is not terrible to feel that way."

But I can call military one source and get some counseling to help me deal with some stresses that I might be going through with deployment or my children might be going through with deployment. NMFA itself—we are going to be launching a military health component of our website with a vast resource link page to make it easier for military families to, as a matter of course, look into these things for themselves. And military families are already doing that because they are looking at the web for mental health resources.

Mrs. DAVIS. Thank you. And as you can see, we are into a third round, which is unusual. We are usually running with votes. There we go.

But, Dr. Snyder, do you want to jump in?

I am sorry. Mr. McHugh, go ahead.

Mr. MCHUGH. Don't be sorry. I am going to feel sorry for these panelists and say, look, we have had two hours, round of questioning, a call for votes, extensive testimony. If I have any further questions, I will submit it for the record. But thank you all, as I tried to indicate in the opening statement, my opening statement, for what you do.

And, you know, Colonel, you mentioned your efforts through your organization to try to prioritize and work with us. And I want to underscore that wasn't just you talking. You live that, and all of your organizations have been leaders and very, very helpful to me and I think I can confidently say to everyone on this panel. So keep up the great work. Thank you.

Mrs. DAVIS. Thank you.

And, Dr. Snyder, you said you did have a question. Please, go ahead.

Dr. SNYDER. It is really not a question. This topic came up on the other side, the Veterans Committee today, in that there has been some discussion about the New York Times series on veterans who had come back and had committed crimes. This whole issue of how you discuss this issue, I think, has become something important. And I, in the spirit of time, think I will just say we can talk about divorce rates and all those kind of things. The bottom line is the great majority of people who come back do very, very well.

The problem is that from the outside it may be appearing that they are feeling very, very well and they may just be miserable. But they may be performing well. They are good with their kids. They are doing their job. But life is not the same.

And I think what we are talking about is how do you alleviate, in the spirit of friendship, human misery of people, the great majority of whom, are functioning reasonably well. And I don't know how we get around this issue of being advocates for additional

mental health services without over-dramatizing it. But that is what we have been trying to do here for the last year or two or three.

Mrs. DAVIS. Thank you. And I would say that I believe that we will be having a whole panel on mental health as we follow up with the year. So we will have more focus on that.

Ms. Shea-Porter, do you have a question or comment?

Ms. SHEA-PORTER. I just wanted to say that later today I will be making a statement on the floor about a young man who died in my district recently and left behind a seven-month-old and a wife and a grieving family and community. And this is what this is really all about, that each one who serves our country takes that risk and every member of the family takes that risk with him or with her.

And so, it is our commitment here in a bipartisan effort to make sure that you have what you need and that we say thank you in the right way to all of you and to those who serve us each day. So I just wanted to say thank you.

Mrs. DAVIS. Thank you. Without objection, I just want to read this into the record. I ask unanimous consent to include the following written testimonies: Mr. Peter Duffy, Deputy Director, Legislation, National Guard Association of the United States; Ms. Rose Elizabeth Lee, Chair, Government Relations Committee, Gold Star Wives of America, Incorporated; statement from the Reserve Officers Association of the United States; and statement from the Naval Reserve Association. All those will be part of the record.

I want to thank all of you for submitting them. I want to thank this wonderful panel for being here today. We greatly appreciate all of your input. And we will look forward to working with you in the future. Thank you very much.

[The information referred to can be found in the Appendix on pages 187, 195 and 205.]

[Whereupon, at 4:54 p.m., the subcommittee was adjourned.]

A P P E N D I X

FEBRUARY 7, 2008

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 7, 2008

Opening Statement
Chairwoman Susan Davis
Hearing on the Views of Military Advocacy
and Beneficiary Groups
February 7, 2008

The hearing will come to order.

I want to thank our witnesses for coming today, especially on such relatively short notice, we appreciate you being here with us. Our hearing today focuses on the views of military advocacy and beneficiary groups. Similar to last year, we have invited a handful of organizations to testify on a wide range of programs and policies that affect service members, retirees and their families.

Historically, many of these organizations were asked to share their views at individual hearings that focused on specific topics. While useful, the subcommittee was only able to hear their views on that specific hearing topic, and it did not provide a context into the priorities of the many competing requests of these organizations.

Except for the last year's hearing being interrupted by a series of votes, the subcommittee found it informative to have a beneficiary focused hearing. In anticipation of the hearings that the subcommittee will have on a wide range of topics, we thought it would be beneficial once again to hear from the advocacy and beneficiary organizations as the subcommittee begins its efforts to get out to visit members' district and see first-hand these issues to help in our efforts to develop the National Defense Authorization Bill for Fiscal Year 2009.

Given the limited resources available, and especially the difficulty in finding mandatory spending, to address the multitude of needs, it is important that the subcommittee be able to understand what the priorities are for service members and their families.

Again, let me welcome,

Mr. Todd Bowers
Government Relations Director
Iraq and Afghanistan Veterans of America

Mr. Joseph Barnes
National Executive Secretary
Fleet Reserve Association

Mrs. Kathleen Moakler
Director, Government Relations Department
National Military Family Association

Colonel Steve Strobridge, USAF, Retired
Director, Government Relations
Military Officers Association of America

Mr. David Johnson
Chairman of the Board
American Logistics Association

Mr. F. Jed Becker
Vice-Chairman
Armed Forces Marketing Council

Let me mention, Mr. Barnes, Mrs. Moakler, and Colonel Strobridge, not only are here to represent their individual organizations, but we have also asked them to represent the positions of the Military Coalition, which is comprised of over 30 uniformed services and veteran's organizations. Given the time limitations, we could not have all interested individual organizations present oral testimony, so we have asked the Coalition to represent its members here today.

Lady and gentlemen, welcome, I would ask that you testify in the order that I stated. Mr. McHugh, do you have any comments that you wish to make?

Opening Remarks – Rep. John M. McHugh
Military Personnel Subcommittee Hearing
Views of Military Advocacy and Beneficiary Groups
7 February 2008

Thank you Mrs. Davis.

As the subcommittee's first hearing in a series that will support our efforts to shape the Fiscal Year 2009 National Defense Authorization Act, it's significant that we are hearing from organizations that not only represent well their members, but also provide us insight into actions that might be taken to improve the military personnel, health care and MWR systems of the Department of Defense.

The scope of the numerous issues raised by our witnesses today is broad – I would note that the formal testimony of The Military Coalition is nearly 50 pages and presents more than 50 issues to be addressed. Few of the challenges they highlight will be solved immediately. But this subcommittee over the years has shown a remarkable ability to make fundamental changes, sometimes with large, all encompassing initiatives, but more often with incremental change over

a number of years. This hearing will help focus our efforts.

Madame chair, as you know, many of the proposals we will hear today require large mandatory spending offsets. Those offsets are often difficult to achieve without the assistance of the Budget Committee. The Budget Committee annually receives the Views and Estimates letter from the HASC and other committees for budget priorities. Given that there are a number of mandatory spending proposals we should consider advancing this year, I would urge that the subcommittee provide recommendations for additional mandatory spending headroom to Chairman Skelton for inclusion in the HASC's Views and Estimates letter. I would welcome the opportunity to work with you in that effort.

So today's hearing is important in helping to shape subcommittee priorities. I thank you for holding it and look forward to the testimony of our witnesses.

Statement of

Todd Bowers

Director of Government Affairs

Iraq and Afghanistan Veterans of America

before the

Subcommittee on Military Personnel

Committee on Armed Services

United States House of Representatives

February 7, 2008

Submitted for the record.

Not for publication until

released by the House

Armed Services Committee.

IRAQ AND AFGHANISTAN VETERANS OF AMERICA

HOUSE ARMED SERVICES SUBCOMMITTEE ON MILITARY PERSONNEL
HEARING ON BENEFICIARY ADVOCACY
TESTIMONY OF TODD BOWERS, DIRECTOR OF GOVERNMENT AFFAIRS

Mr. Chairman, ranking member and distinguished members of the committee, on behalf of Iraq and Afghanistan Veterans of America, and our thousands of members nationwide, I thank you for the opportunity to testify today regarding military personnel policies and programs.

As the war in Iraq continues into its fifth year, this generation of troops faces new and unique problems. Today, IAVA is releasing our annual Legislative Agenda. Our Legislative Agenda covers the entire warfighting cycle – before, during and after deployment – and outlines practical solutions to the most pressing problems facing Iraq and Afghanistan veterans.

In my ten year career as a Marine reservist I have had the honor of serving in Iraq twice. During these tours it became clear to me that taking care of the individual on your left and right is paramount to accomplish your mission. Only when I returned home did I understand that taking care of the people you served with once you get home is just as important. This is not only a moral issue, it is a national security concern. A rifle is only as strong as the mind controlling it.

Our 2008 Legislative Agenda is now available at IAVA's website, www.iava.org, along with reports on the main issues facing today's veterans. I have brought copies of our Legislative Agenda and reports with me today for your convenience.

In the interest of brevity, today I limit my testimony to our key proposals regarding mental health.

Rates of psychological injuries among new veterans are high and rising. At least 30 to 40% of Iraq veterans, or about half a million people, will face a serious psychological injury, including depression, anxiety, or PTSD. Multiple tours and inadequate time at home between deployments increase rates of combat stress by 50%.

The ramifications of psychological injuries are clear. Untreated mental health problems can and do lead to unemployment, domestic violence, substance abuse,

homelessness and suicide. Twenty percent of married troops in Iraq say they are planning a divorce. At least 40,000 Iraq and Afghanistan veterans have been treated at a VA hospital for substance abuse. The current Army suicide rate is the highest it has been in 26 years. Reports released just last week found 20% increase in the number of suicide attempts in the Army alone.

The first step to coping effectively with the mental health crisis is addressing the stigma attached to receiving mental health treatment. More than half of soldiers and Marines in Iraq who test positive for a mental health injury are concerned that they will be seen as weak by their fellow service members. One in three of these troops worry about the effect of a mental health diagnosis on their career. As a result, many troops who need care do not seek treatment

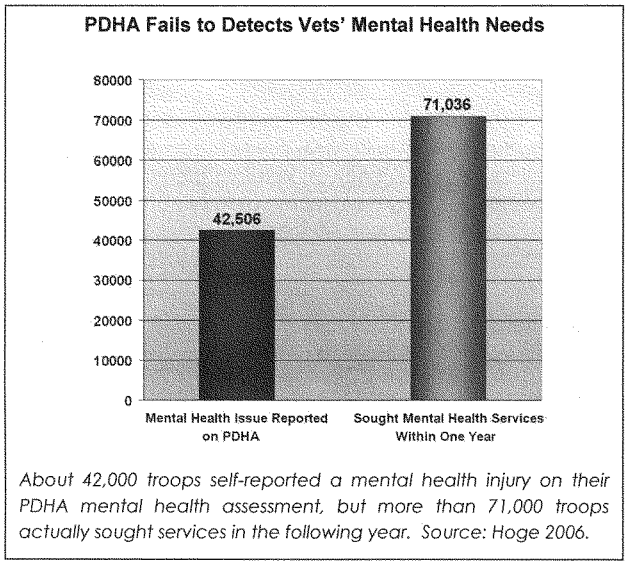
IAVA supports efforts already underway to reduce mental health stigma. The Air Force, for instance, has seen a 30% drop in suicide rates since the institution of a comprehensive suicide-prevention campaign. IAVA recommends creating a DOD-wide initiative to share "best practices" for mental health treatment, including outreach and education regarding mental health for both for troops and for their families, and an emphasis on education for military leaders in the service and leadership academies.

In addition, servicemembers suffering from service-connected mental health issues should not be improperly penalized for their injuries. IAVA recommends imposing an immediate moratorium on military discharges for personality disorders until an audit of past personality discharges is completed. Moreover, troops should be able to seek voluntary alcohol and substance-abuse counseling and treatment without the requirement of command notification. Such notification should be at the discretion of the treating mental health professional. Finally, IAVA supports amending the UCMJ to establish a preference for mental health treatment over criminal prosecution for military suicide attempts.

I am proud to announce that IAVA has partnered with the Ad Council on a very important project that will have a nationwide impact on the stigma that is often associated with members of our military who seek mental health treatment. Over the next three years, IAVA will be working with the Ad Council on a massive media campaign aimed at informing the American public and our nation's military that seeking help is a sign of strength rather than weakness. We hope that the outcome of our efforts will be an American public that is more understanding of the difficulties that veterans face when they reintegrate into society.

But in addition to addressing stigma, the DOD must do a better job of screening troops for mental health problems. The current system of paperwork evaluations (the PDHA and PDHRA) is ineffective. A 2006 study led by Army Col. Charles Hoge, MD, at the Walter Reed Army Institute of Research, looked at the results of Iraq veterans' PDHAs.

Only 19% of troops returning from Iraq self-reported a mental health problem. But 35% of those troops actually sought mental health care in the year following deployment.



About 42,000 troops self-reported a mental health injury on their PDHA mental health assessment, but more than 71,000 troops actually sought services in the following year. Source: Hoge 2006.

If the PDHA is intended to correctly identify troops who will need mental health care, it simply does not work. A follow-up study in 2007, also published in the *Journal of the American Medical Association*, concluded: "Surveys taken immediately on return from deployment substantially underestimate the mental health burden."

Although the PDHRA, which troops fill out six months after deployment, is more likely to identify mental health injuries, its overall effectiveness is also dubious. Troops may not be filling out their forms accurately, troops needing counseling are not consistently getting referrals, and those with referrals do not always get treatment.

IAVA therefore supports mandatory and confidential mental health and TBI screening by a mental health professional for all troops, both before and at least 90 days after a combat tour.

After stigma and inadequate screening, the final barrier to mental health care is lack of access. The number of licensed psychologists in the military has dropped by more than 20% in recent years. Less than 40% of troops with psychological wounds are getting treated.

Funding within the Department of Defense must be focused on current shortages of mental health professionals. IAVA recommends a study of reasons for attrition among military mental health professionals, and the creation of new recruitment and retention incentives for mental health care providers such as scholarships or college-loan forgiveness. Military families with TRICARE should have improved access to mental health services, and active-duty families should be given unlimited access to mental health care and family and marital counseling on military bases.

I thank you for providing me the opportunity to testify before you this afternoon. I hope that the information I have provided will help to lay the ground work for the committee to eliminate the obstacles that our nation's newest veterans are facing. It would be my pleasure to answer any question you may have for me at this time.

Respectfully submitted,

Todd Bowers
Director of Governmental Affairs
Iraq and Afghanistan Veterans of America

STATEMENT BY:

DAVID JOHNSON

CHAIRMAN – AMERICAN LOGISTICS ASSSOCIATION

BEFORE THE SUBCOMMITTEE ON PERSONNEL

ARMED SERVICES COMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

SECOND SESSION, 110TH CONGRESS

HEARINGS ON

MILITARY RESALE AND MORALE, RECREATION, AND WELFARE PROGRAMS

FEBRUARY 7, 2008

NOT FOR PUBLICATION
UNTIL RELEASED BY
HOUSE ARMED SERVICES COMMITTEE

Madam Chair and Distinguished Members of the Subcommittee:

The American Logistics Association (ALA) is most grateful to this subcommittee for its strong leadership in preserving and improving the commissary, exchange and MWR benefits for service members, military retirees and their families.

It is an honor to be here today as Chairman of the American Logistics Association representing nearly 250 of America's leading manufacturers, nearly 60 brokers and distributors, service companies, media outlets and more than 1400 individual members who are actively engaged in providing goods and services to the military resale and MWR activities.

ALA is a modern, best practice trade association that is a critical supporter and tireless advocate promoting a world class quality of life for America's military and their families.

Our primary goal is to enhance the quality of life for active duty, Guard and Reserve, and retired military personnel and their families. The member companies that make up the American Logistics Association demonstrate the wide expanse of the business base we represent. At the large end of the spectrum our members include some of the largest consumer package goods companies in the world such as Procter & Gamble, Johnson & Johnson, Kraft Foods, Inc., Coca-Cola and Brown-Forman Beverages. Our members are also small businesses such as Veterans Imaging Service with a focus on improved MWR programs. Our member firms include brokers such as C. Lloyd Johnson Company, Dunham & Smith Agencies, Overseas Service Corporation and

Military Sales and Service (MSS) whose representatives provide a unique service in the military resale industry. Also, the association has distributors such as Coastal Pacific Food Distributors, Inc., and SUPERVALU, Inc., who provide a valuable service to the industry and lastly information technology facilitators like Empower IT.

It would be a misnomer to characterize the association as one of representation only. One of the key attributes of the ALA is the focus on win-win-win business opportunities for our members, resale partners and the military patron. Examples like Keeworld Trading Company run by an Asian American military spouse, Ms. Jacqueline Kim, who had a dream to bring Korean products and a taste of the Korean culture to the military resale system. Through her hard work and determination and a sound business plan provided by the association, her company now finds it self on the DeCA Million Dollar Vendor list. ALA Member Company Military Sales and Service (MSS) is located in the shadow of the AAFES Headquarters in Dallas, Texas. MSS virtually grew from a fledgling company through its hard work and perseverance and alliance with the association to be the largest single broker for AAFES with over 500 employees many of whom are military spouses and dependants representing over $500 million in business.

ALA members supply goods and services to the military community and employ several thousand military spouses, family members and retired service members. ALA member firms, including brokers, manufacturers and distributors, offer employment opportunities through a wide range of full-time and part-time

positions located on or near U.S. military installations around the world. Many military spouses have found career opportunities with our member companies.

Not only am I here today to speak to the relevance and engagement of ALA members within the military resale and MWR community, but more importantly, I am here today as an advocate for enhanced quality of life for our nation's military service members, retirees and their families. The activities of organizations like ALA continue to give hope that there are watchdogs present to protect and promote the benefit and to speak on behalf of service members and their families. The unwavering support of this subcommittee is another reason to have confidence that the benefit will be protected.

Many of the issues I will address today will be similar to issues raised in prior years. In virtually every instance progress has been made but there is more to do. Specifically, I will address the state of commissary surcharge dollars, Armed Services Exchange Regulations (ASER), base access, Guard and Reserve outreach efforts, the outlook for future budgets and finally I will provide comments on some pending legislation.

Madam Chair, I am pleased to convey to the subcommittee a huge "well done" on the issue of finding relief for limited commissary surcharge dollars. For the past several years the members of this subcommittee have voiced concern in unison about the challenges facing DeCA with the increased burdens being placed on the surcharge account by BRAC and restationing construction requirements. The subcommittee requested DOD provide a 10 year construction report to identify the impacts these new requirements would force on the already

overburdened surcharge account. Your leadership and persistence along with the determination of this association elevated the issue to the Secretary of Defense and in a recent ruling by the DOD General Counsel, the determination was made that commissary construction projects that are necessitated by BRAC or restationing can not be paid out of surcharge but must come from BRAC or MILCON funding. The two immediate projects impacted are the requirements for new commissary construction at Fort Bliss and Fort Riley. These projects will be built with BRAC and MILCON funding freeing surcharge dollars for other needed uses.

I am proud to be ALA's spokesman and to reaffirm ALA's strong commitment to maintaining and improving the commissary and exchange benefit as an integral part of the total, non-pay compensation package for service members and their families. We support these dynamic programs; they provide a broad range of consumable products, goods and services for military personnel and their families, including essential financial support to MWR programs which benefit the entire military community.

Our association actively supports and promotes programs that enhance the quality of life for our military service members, retirees and their families. Exchanges are a key component of DOD's quality of life programs. Unfortunately, authorized patrons continue to be limited in their choice and selection of merchandise sold in exchanges. The Armed Services Exchange Regulation (ASER) delineates who is authorized to use the exchange benefit and what can or cannot be sold by the exchanges. Madam Chair, it is ALA's position

that shoppers should have a choice without restrictions on merchandise sold in exchanges. Our members want and deserve access to all products and services that meet their families' needs at the reasonable price typical of the exchanges. ASER restrictions may well drive authorized patrons away from the exchange, negatively impacting their tendency to utilize the commissary and the exchange. Also, the exchanges should be able to provide services outside the base to further support the products they provide. Today's technology requires services that go beyond mere installation.

ALA appreciates this subcommittee's support for limited changes to ASER. While these proposals were not fully approved by Congress, ALA considers the effort to be a step in the right direction. Specifically, the subcommittee supported elimination of the prohibition on the sale of projection televisions and an increase in the cap on the unit cost to the exchanges on the sale of televisions from $3,500 to $4,000. In addition, the committee supported an increase in the cap on the unit cost to the exchanges on the sale of finished furniture from $900 to $1,100 and for a study to examine the demand for jewelry within the military market.

However, with regard to a revised unit wholesale cost price limitation for furniture, the exchanges would need a price of $2,000 in order to overcome not just inflation, but all of the variables affecting the cost of furniture. While this figure might seem high, our research and contact with the services indicates that this figure would allow them to satisfy all of their different customer segments. Moreover, any figure less than $2,000 precludes the sale of many

quality brands and, in some cases, full suites (bedroom, family or dining room) cannot be made available because one item within the suite may exceed the limitation.

However, while an increase in the cost price limitation would allow those exchanges to stock a larger selection of furniture where space is available, the overwhelming need is for some relief from the construction and renovation restrictions. These rules prevent many exchange stores from stocking any furniture and, in stores that do have cramped space, the selection is severely limited. Therefore, many military families who need to purchase furniture at reasonable prices are forced to shop "outside the gate" where they encounter significantly higher prices. Also, families encounter much higher interest rates.

These higher prices and interest rates are of particular concern with regard to BRAC and force realignments which will accelerate the relocation tempo for military families and initiate the need for increased furniture purchases.

To reiterate, the subcommittee's recommendations were a good beginning; however, the most equitable way to provide this benefit to deserving military families is to lift all ASER restrictions. Elimination of the furniture restrictions would permit greater availability of furniture, afford service members the opportunity to receive the best possible value, and therefore provide a true non-compensation benefit with absolutely no burden on taxpayers. Military patrons would not be forced to shop higher priced private sector stores to meet their needs, especially at a time when military members and their families are

sacrificing so much to defend our freedom. Also, use of the Military Star Card offers a lower interest rate and payment terms especially for deployed troops.

Base access is an area that continues to challenge the entire military resale system. The ALA fully understands the role of the base commander and the individual responsibility commanders have for the security of their base. We appreciate the request forwarded by the subcommittee to DOD requesting a report on the issue of base access as it relates to the military resale system and while that report is due later I would like to update the subcommittee on the actions taken by this association. ALA has been working closely with the Defense Data Manpower Center (DDMC) and private industry to craft a solution that meets the needs of industry and DOD. The Defense Data Manpower Center and most recently the Northern Command (NORTHCOM) -- the command responsible for all DOD base security issues in the continental United States -- have expressed interest in a third party federated credential that meets the needs of DOD and Homeland Security Presidential Directive-12 (HSPD-12) as a solution to physical and logical access to bases and systems. ALA is a member of The Federation for Identity and Cross-Credentialing Systems (FIXS) whose sole purpose is to develop the type of credential and process that DOD requires to meet the base security responsibilities of base commanders. NORTHCOM on 12/5/07 issues "Installation Access Control Guidance in the Area of Responsibility" in which they stated the desired long term solution for base access is the very business model being addressed by FIXS and approved by

DMDC. The timeline according to NORTHCOM is to reach the desired end-state within 2-5 years. ALA will be participating in a test of third party cross-credentialing to take place at Fort Belvoir in the near future. It is hoped that this test will fine tune a solution that can be implemented system wide. Once again we appreciate the assistance of the subcommittee in this matter.

ALA supports the primacy of exchange and commissary stores on all military installations and in military housing areas to include privatized housing areas. We believe that the current policy regarding this issue is appropriate. Civilian retail outlets should not have authority to operate in military housing areas or on military installations.

The exchanges are deployed with our service members fighting the Global War on Terror and support the war-time military communities at home. AAFES operates exchanges down-range, with manpower assistance from the Marines, in OIF/OEF. NEXCOM operates ships stores afloat in all theaters. In the Operations Iraqi and Enduring Freedom theaters, there are Tactical Field Exchanges, exchange supported/unit run field exchanges, and an average of 156 Navy ships' stores providing quality goods and services necessary for day-to-day living and to provide a piece of "home."

As evidenced by the cooperative efforts here and abroad, exchanges are working together like never before to ensure their joint ventures contribute substantially to military quality of life and readiness. For example, NEXCOM is currently utilizing the AAFES distribution center in Stockton, CA to cross-dock and load oceangoing containers with vendor direct surface shipments of goods

originating in CONUS and destined to NEXCOM facilities in Japan. Also, cross acceptance of Gift Cards has improved customer service by allowing customers to redeem exchange Gift Cards at any AAFES, NEXCOM or MCX, regardless of where the military gift card was purchased. And finally, the exchanges executed a joint contract for PCs, Laptops and Servers last year that achieved an average 17.6% savings or over $1.37 million annually. The exchanges continue to seek best practice business opportunities to improve operations. In particular, we commend NEXCOM for the retailer, manufacturer, distributor business model test they have embarked on with the McLane Company. The desire to reach better in-stock levels and simplified bill paying will result in better service to the military patron and as a result have a positive impact on quality of life. The ALA will continue to monitor test results to make sure this new business model does not result in any additional costs being born by the military patron.

Exchange merchandise sales are the major source of funding for DOD's MWR programs. Each year exchanges provide hundreds of millions of dollars in dividends that are returned to military communities. In FY 07, for example, the exchanges provided more than $250 million in dividends. Without these dividends, MWR activities would not be able to fulfill their mission, and as a result, many worthy programs such as child-care centers, youth activities and other quality of life programs would be negatively impacted.

Madam Chair, as ALA views exchanges and the MWR dividend resulting from sales, our members are increasingly concerned about program funding given today's realities. Added to that, exchange dividends in the aggregate will

certainly decline when troops and military families return from Europe to be CONUS-based. In today's troubled world, service members and their families are being asked to endure ever-greater workloads and ever-greater sacrifices. Frequent, repeated deployments, often nearly back-to-back, greatly stress the force and every military family. In addition, Guard and Reserve operational tempo has placed enormous strains on Reservists, their family members and their civilian employers. At these times, the presence of vibrant MWR activities is crucial.

The exchanges deserve an enormous amount of credit for the millions of dollars contributed to service MWR programs. To ensure the well being of these important quality of life activities, DOD has made a commitment to provide appropriated fund support to Category A and Category B programs. However, budget pressures are causing the military services to reconsider this obligation. In the end, the troops and the families suffer and the nation loses.

ALA urges Congress to ensure that DOD honors its commitment to the troops to fund these programs at least to the 85 percent level for Category A and 75 percent for Category B Requirements. These programs are especially critical to the readiness of our forces and the support of their families during this period of conflict and extended unpredictable separations.

ALA applauds Congress for passing a provision in the National Defense Authorization Act that mandates appropriated funds be used to ship goods for sale in overseas commissaries and exchanges. ALA strongly supports continued Second Destination Transportation (SDT) funding for goods shipped

for resale by the Army and Air Force Exchange Service (AAFES) to overseas locations. Given ALA's concerns for the welfare of military families, we strongly urge Congress to sustain its aggressive oversight role and to continue opposing the Army's regular effort to duck its responsibility. The Army is the Executive Agent here and reductions to the SDT account that would result in the increased costs of exchange goods is being borne by service members. Of the many accounts within the budget of the Army, there are very few that have such a direct affect on the quality of life of service members and the communities in which they live. It is a clear and present danger when responsibility for quality of life programs are placed in the hands of individuals who view this role more as a burden, then a privilege.

Madam Chair, ALA is committed to preserving the value of the commissary benefit that is widely recognized as the cornerstone of quality of life benefits and a valued part of the service members' total compensation package. ALA is grateful for the continued strong support of this subcommittee in preserving this top rated benefit. ALA supports efforts to improve cost savings, ensure effective oversight and management of the commissary benefit, and improve responsiveness to the needs of beneficiaries. However, we are concerned about the unrelenting pressure on DeCA to cut spending and squeeze additional efficiencies from its operations – despite years of effective reform initiatives and recognition of the agency for instituting improved business practices. Of special concern to ALA is any budget shortage in FY 2009. At some point budget reductions will negatively impact customers by necessitating

reduced store hours, fewer employees or other cost saving initiatives. ALA asks the subcommittee's leadership to authorize adequate funding and ensure that this highly valued benefit is sustained and not evaluated solely on the basis of appropriated dollars.

As a result of DeCA's outstanding job managing the military commissaries, shoppers continue to save on average of over 30 percent on groceries when compared to the retail grocery stores. Savings like these, combined with other agency improvements, equate to important savings for junior enlisted personnel who struggle with expenses, especially in high-cost duty locations. The commissary benefit and savings have become increasingly more important to the National Guard and Reserve members and their families. When called to active duty and there is a reduction in pay because of the difference between their civilian and military salary, savings from the commissary benefit are critical. And, the benefit continues to be highly valued by military retirees and survivors with limited incomes. In a recent initiative DeCA and the ALA partnered to provide close to $100,000 in DeCA CertifiChecks to needy Guard and Reserve families just prior to Christmas. In addition, DeCA has set out an aggressive schedule for increased outreach efforts to support the Guard and Reserve. The ALA supports this initiative and will provide support and resources where needed. The longer term need to provide a more permanent solution to affording better access to the resale benefits for the Guard and Reserve may require some out of the box thinking and support from the subcommittee.

DeCA's outreach effort to beneficiaries is impressive. The agency provides opportunities for customers to give feedback through surveys and a great deal of information about the benefit is posted on the DeCA website (www.commissaries.com). DeCA sponsors and collaborates with its business partners to provide special events, lot sales, information, single service member events, and special activities for families and deployed troops. These initiatives not only educate more active duty personnel about the benefit, but also foster a community of cohesion between the military beneficiary communities. Through the support provided by commissary vendors, the Scholarships for Military Children program eases the financial burden faced by many families who send a child to college. This program has provided nearly $6 million in scholarships to more than 3,500 applicants over a seven-year period. DeCA has received over 40 thousand applications since 2001.

ALA urges Congress to oppose any initiative that would reduce benefits or savings for members, and strongly supports full funding of the benefit in FY 2009 and beyond to sustain the current level of service for all beneficiaries. ALA requests this subcommittee's support in closely monitoring commissary funding and policies and scrutinizing store closures, privatization, staff reductions, or other initiatives that may diminish the scope and quality of the benefit for all beneficiaries.

Overseas rebasing and Base Realignment and Closure (BRAC) issues also are of significant concern to our members. ALA continues to be concerned about the potential impact on every quality of life program during the Defense

Department's transformation, global repositioning, Army modularity, and BRAC initiatives. ALA wants to ensure that necessary family support/quality of life program dollars and services are in line with DOD/Military Services rebasing plans, including critical family support/quality of life programs, such as MWR, child care, exchanges and commissaries, housing, TRICARE programs, health care, education, family centers, and other traditional support services.

Given the current fiscal environment and long-term financial challenges of war, ALA continues to express strong concerns about the importance of sustaining vital support services and quality of life programs. Madam Chair, no longer do we have to anticipate that these programs may be at risk, we know from military officials and current news reports that cutbacks in base operation accounts and reduction in base services because of funding shortfalls are real and are expected to get worse.

Either DOD will need to continue to ask for supplemental funding, or the military services will have to fund transformation out-of-hide through program cuts that likely would hurt readiness. The most troublesome alternative is to fund changes by shifting the burden to service members and their families. That is, allowing them to come home to the United States or relocate to military and civilian communities that are unprepared, therefore threatening to degrade the quality of life for troops and families at a time of unprecedented stress on the all-volunteer force.

ALA urges Members of Congress to protect the interests of all beneficiaries as the military community continues to respond to heightened

operations tempo and anticipates the movement of service members and families due to transformation initiatives, global rebasing, and base closure and realignment. ALA will continue to stay actively engaged in monitoring and reporting discrepancies related to the implementation of BRAC, not only to ensure the full impact of BRAC initiatives are realized, but to make sure that any fallout from other transformation initiatives like global repositioning and Army modularity are considered within each beneficiary community and to advocate for support services and infrastructure at both closing and gaining installations throughout the entire transformation process.

I would like to take a moment to address two legislative initiatives we are tracking. The first is H.R. 1974 – Federal Employee Combat Zone Tax Parity Act. We support this initiative to provide tax relief for service in a combat zone by civilian employees of the United States. As you are aware, there have been years of tireless service by exchange associates to man field exchange operations under extremely dangerous conditions to support the quality of life of our deployed troops. Next, we express our support for H.R. 4071- The Disabled Veterans Right to Commissaries and Space Available Travel Act. The proposal would extend benefits to service-disabled veterans with a rating of 30 percent or more and to their families. We approach this with the realization that it is an uphill struggle and that the stovepipe view of DOD benefits versus Veterans benefits will be postulated. The ALA feels it is time to adopt a modern approach to taking care of our troops that reflects the nature of their service, the nature of their injuries and the desires of most Americans. The same arguments about

overcrowding and costs will be raised that were faced when full shopping privileges were being considered for the Guard and Reserve. It did not happen, the sky did not fall. In a recent interview with Adm. Michael Mullen, Chairman of the Joint Chiefs he laid out one of his key initiatives for 2008 to "take care of servicemen and women when in uniform and afterwards..." This initiative goes in that direction. The nature of injuries today and the technology in treatments has changed the nature of disabilities. We support this initiative.

Thank you, Madam Chair, and Members of the subcommittee for providing industry the opportunity to present its views on these critically important topics. More importantly, thank you for your stewardship of these important benefits that are essential to our military families' quality of life.

Statement of

F. Jed Becker

Vice Chairman

Armed Forces Marketing Council

before the

Subcommittee on Military Personnel

Committee on Armed Services

United States House of Representatives

February 7, 2008

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Introduction

Good afternoon, Madam Chair, and distinguished members of the Subcommittee on Military Personnel:

My name is Jed Becker; I am Vice Chairman of the Armed Forces Marketing Council (AFMC). Thank you for inviting me here today to offer comments regarding the military resale services, and the vital role they play in the quality of life our troops and their families.

The Council was incorporated on April 25, 1969 as a non-profit business league. It is comprised of firms representing manufacturers who supply consumer products to military resale activities worldwide. A list of firms serving on the Council is at Exhibit 1.

Madam Chair, before I address issues related to the resale system, I will briefly outline the purpose and objectives of the AFMC.

The purpose is to:

- Promote unity of effort through a cooperative working relationship among the Congress, the military, and industry.
- Provide a forum for addressing industry issues.
- Encourage worldwide availability of quality consumer products at the best possible prices and value.
- Encourage continued congressional support and funding of the resale system.
- Assist in maintaining the resale system as an integral part of military life.
- Promote awareness of sales and marketing agency services to the military resale system.

Council firms also subscribe to a code of ethics requiring that each member firm maintain the highest level of integrity and professional conduct and consider this to be critical to its credibility.

Some firms serving on the Council have been providing service to the resale system for over sixty years. Member firms are small, privately held businesses formed in response to the need for quality, specialized sales representation to the unique worldwide military resale market. These firms have developed marketing and merchandising programs tailored specifically to deliver efficient support to military resale operations. Through the link they form between the resale services and the manufacturers, these firms assure continuous availability of the complete array of consumer products normally found in the civilian marketplace. They offer services in a more efficient manner than all but the very largest manufacturers can provide using their own resources. If that were not the case, the firms belonging to the AFMC would not exist.

AFMC firms represent several hundred manufacturers, both large and small. (A representative sampling is at Exhibit 2). Our firms have a total of over 2,800 people working directly in the stores, with the various resale services headquarters, and with the manufacturers to assure that the right products are on the shelf at the right time, in the right quantities and at the best prices and value. By so doing, they have played a significant role in maintaining the resale system as a vital part of the fabric of military life.

It is important to note that AFMC members see themselves as:

- "Stakeholders" in the military resale system.

- Interested in contributing to the continued viability and health of the resale system.
- Having expert perspective based on many decades of experience in servicing the military resale system.

Importance of the Military Resale System

Madam Chair, the AFMC strives to do its part to assure the continuation of the military resale system and the value it provides to our service members and their families. We hope the information and perspectives presented here will be useful in your review of military resale activities.

The resale system is an extremely valuable benefit for the total force, including active duty, Guard and reserve, and retirees, and for the central role it plays in recruitment, retention, and morale. Sometimes overlooked is its success in supplying everyday personal needs to deployed forces, including those in hostile fire zones.

Our Armed Forces have been on a war footing, not just since September 11 of 2001, but more accurately since 1990. This lengthy period of high operations tempo and its resultant personnel turbulence from repeated deployments is unprecedented in our history and has resulted in intensely stressful working and living conditions for service members and their families. With this in mind, any attempt to diminish the value of this benefit should be rejected.

In addition to being an efficient benefit and contributor to quality of life, the military resale system works well! It's honest, efficient and responsive. Taxpayers, legislators, and leaders throughout government can share in the pride of this success story. This success comes as a result of the dedication exchange and commissary

operators have made to customer service, patron savings and an unfailing commitment to continued process improvement.

These are not loose judgments. Instead, they are based on scientific surveys of pricing and patron satisfaction and on largely favorable comparisons with outside-the-gate retailers on sales trends, business systems, and asset management.

While the success of commissary and exchange operations is in many ways self-generated, it is also a result of steady non-partisan oversight and support from numerous well-informed members of Congress. The members of the Armed Forces Marketing Council thank you for that, as would other segments of the supplier community. But more importantly, given the chance, military members and their families who fully understood your role, would also offer their gratitude.

Having said that, we have some observations and suggestions.

CBO Proposal to Consolidate Resale Activities

The Congressional Budget Office repeatedly recommends that (i) military commissaries and exchanges be consolidated, (ii) prices in commissaries be raised to generate operating funds, or (iii) that a yearly grocery allowance be provided to active duty personnel. We continue to point out that there are several significant fallacies in these ideas:

- No compelling evidence has ever been developed that demonstrates that consolidating the exchanges and commissaries will achieve significant savings, either in operating costs or prices to service men and women.
- Increasing the cost of products in commissaries would clearly reduce overall military compensation, particularly for those who would not qualify for any

allowance (including retirees and most National Guard and reservists), and for those families whose current savings exceed such an allowance.

- The current billion-dollar commissary subsidy equates to a fraction of the dollar value of the savings that are generated when authorized patrons shop in military stores. Looked at another way, total purchases by commissary patrons of over $5 billion would cost well over $7 billion at private sector commercial prices.
- Active duty service members are astute in assessing the "value" of the benefits they are afforded. While several initiatives driven by the CBO may meet short-term fiscal objectives, it is the continuity of your vigilance that must serve to recognize the complexity of the perceived value these benefits hold and the impact they have on recruitment and retention.

The Exchange Services and the Defense Commissary Agency continue to develop promising collaborative initiatives.

Second Destination Transportation (SDT) Funds

The Congress passed legislation that clearly mandates the funding of this function, to assure that American products get shipped to foreign-based exchanges and commissaries at taxpayer expense. In the absence of SDT funding, prices would be unfairly raised to overseas-based troops and families, in order to absorb the freight costs associated with getting these goods to these service members and their families. Alternatively, the services would be forced to reduce MWR earnings by an unacceptable amount, or to shift all their overseas procurement to offshore sources. Simply stated,

none of these consequences are acceptable. SDT must continue to be fully funded – it's the right thing to do for our forces.

Relief from ASER Merchandise Restrictions

The AFMC is most appreciative of the past actions by Congress to alleviate many item and cost restrictions imposed upon the military exchanges. These actions produced significant increases in exchange sales and earnings, and in customer satisfaction. We are convinced that further lifting of restrictions will yield similar positive results.

Existing policy, established by Congress and promulgated in DoD Instruction 1330.21 "Armed Services Exchange Regulations" (ASER) prohibits the military exchange services from initiating capital construction, renovating existing facilities for the purpose of providing additional space in which to sell furniture, and places a procurement cap of $900 per unit on the wholesale cost of furniture. Furthermore, this policy prohibits the sale of diamond settings with individual stones exceeding one carat.

The original intent of these restrictions was to protect small, "outside-the-gate" stores from undue competition by military exchanges. Consolidation in the retail industry (e.g., discounters, department stores, category killers, and specialty stores) has rendered these restrictions outdated, thereby placing the exchanges at a competitive disadvantage, and in turn denying military patrons the opportunity to purchase these items at the best value and savings.

It does not appear feasible for either the Armed Forces Marketing Council (AFMC) or its member firms to undertake protecting the interests of small local retailers in the vicinity of exchange stores. Other than to encourage the exchange services to

limit their sales of these items to authorized patrons only, there is little else the AFMC can do. Our primary mission is to ensure that we supply consumer products to the military resale systems at the best possible prices and value. The primary mission of the resale systems is to have those products available and to offer a non-pay compensation benefit to military members and their families.

It is the AFMC's contention that further lifting of the restrictions on furniture and jewelry is both necessary and prudent, and would yield very positive results both for the patrons and the exchange services. While local retailers may lose some sales, the impact has been determined to be negligible and is far outweighed by the benefits to be gained.

Furthermore, if the exchange services are to be held to operating by business standards and required to produce profits to subsidize MWR programs, they should be allowed to compete, as would any normal private sector business enterprise. It should be noted that over the years, ASER restrictions have been selectively relaxed without the predicted adverse economic impact and furor from the private sector.

The construction and renovation restrictions preclude many exchange stores from stocking furniture; in those stores that can stock it the selection is severely limited. Furthermore, the wholesale cost limitation of $900 per unit, imposed eleven years ago, precludes the sale of many quality brands, and within some brands, full suites (e.g., bedroom or dining room) cannot be made available, because one item within the suite may exceed the wholesale cost limitation. This restriction on furniture sales is of particular concern in view of BRAC 2005 and force realignments that will accelerate the

relocation tempo for families and trigger an increase in the need for furniture purchases, particularly for those returning from overseas locations.

The prohibition on the sale of larger stones exceeding one carat precludes the sale of the fastest growing segment of the jewelry business.

Given these restrictions, military families are forced to shop "outside the gate" where they encounter significantly higher prices, and of particular concern, much higher interest rates which are often presented deceptively.

By lifting the ASER restrictions placed on these product categories, military families will be able to purchase these items in the exchanges and where they would qualify for the unique set of terms available to support the exceptional conditions of military service:

- Patron savings are consistently twenty percent or higher
- For those who pay the ultimate sacrifice, *Star Card* account balances are written-off
- *Star Card* interest rates are significantly lower than private sector
- Deferment of *Star Card* payments and interest is available to all Service members during deployment (significantly lightening the stressful financial burden faced by families, as well as giving peace of mind to the deployed member)
- Worldwide availability of warranty service, repairs, and returns
- Affordable delivery service
- Worldwide availability of trade-up policy, repairs, and returns

Ultimately, the real issue is whether Service members and their families deserve to have these products available. If so, their interests must take precedence over the interests of businesses outside the gate.

Extension of Commissary and Exchange Privileges to Disable Vets

H. R. 4071, entitled, "Disabled Veterans Right to Commissaries and Space Available Travel Act," has been introduced by Representative Bob Filner to extend commissary and exchange privileges to veterans with a service-connected disability rated at thirty percent or more. It has been referred to the Committee on Armed Services. Chairwoman Davis, the Armed Forces Marketing Council strongly supports this legislation as a means of repaying those men and women who have become disabled as a result of service to our nation. It is in no way meant to minimize the service of those who have spent full careers in military service. Our disabled veterans, regardless of length of service, are nonetheless members of the greater military family and should be treated as such. Granting this small token of recognition, at virtually no cost to the government, would demonstrate appreciation and respect to those who have sacrificed their well-being to protect the freedom enjoyed by all Americans. It is the right thing to do.

Base Closures

The AFMC continues to recognize that retention of military resale facilities at all closed bases may not be feasible. Nevertheless, we urge Congress to consider retention of those facilities wherever possible, particularly at those locations where there is a sizeable population of reserve, National Guard, and retired service members, and

especially at a time when so many Guard and reserve members have been called up to active duty, some for very lengthy and repetitive tours.

It must be remembered that the purpose of the resale system is to enhance the quality of life of all members of the uniformed services, including retirees, and their families. There is often a tendency to overlook those career service members who are no longer on active duty.

Summary

Madam Chair, the Armed Forces Marketing Council recognizes that there can be no let-up in seeking operational improvements and cost savings in all elements of the military resale system, particularly given the current strain on the Defense budget. Nevertheless, those efforts should never serve to degrade the quality of life of the people who make up our armed forces.

As for the ASER restrictions, the AFMC respectfully requests that the restrictions on furniture and diamonds be lifted to permit increased availability of these items for our military people. Why not do this and allow them the opportunity to receive the best possible value in these items and provide a truly complete compensation benefit? It will require ***no*** appropriated funds!

Lastly, we respectfully implore you to grant our disabled veterans the privilege of patronizing the military resale system as recognition and appreciation for their sacrifices in protecting our nation.

Thank you, Madam Chair and members of the Subcommittee on Military Personnel for the opportunity to appear before you and for your attention and

consideration of the AFMC viewpoints. We appreciate your interest in assuring the best for our troops. I stand ready to receive your questions.

Armed Forces Marketing Council
3611-C CHAIN BRIDGE ROAD • FAIRFAX, VA 22030-3246
Telephone: (703) 273-6590
Fax: (703) 273-6593

MEMBERS

DIXON MARKETING, INC.
301 Darby Avenue
P.O. Box 1618
Kinston, NC 28503-1618
Laura E. Dixon, CEO
252/522-2022
252/527-3967 FAX

DUNHAM & SMITH AGENCIES
800 St. Louis Union Station, #400
St. Louis, MO 63103
Frank J. Makely, Jr., President
314/436-2155
314/436-4535 FAX

EURPAC SERVICE INC.
101 Merritt 7 Corporate Park
Norwalk, CT 06851
F. Jed Becker, CEO
203/847-0800
203/840-8978 FAX

C. LLOYD JOHNSON COMPANY, INC.
8031 Hampton Boulevard
Norfolk, VA 23505
Lloyd Johnson, Chairman & CEO
757/423-2832
757/451-1085 FAX

MOHAWK MARKETING CORPORATION
2873 Crusader Circle
Virginia Beach, VA 23453-3133
John P. Madden, President & CEO
757/499-8901
757/497-6690 FAX

OVERSEAS SERVICE CORPORATION
1100 Northpoint Parkway
West Palm Beach, FL 33407
Frank J. Hogan, CEO
561/683-4090
561/683-4031 FAX

S & K SALES CO.
2500 Hawkeye Court
Virginia Beach, VA 23452
Richard T. Ray, President & CEO
757/460-8888
757/468-1672 FAX

Revised 5/11/07

Exhibit 1

Major Companies Represented by Member Firms of the *Armed Forces Marketing Council* to One or More Segments of the Military Resale System

Acclaim Entertainment
Alberto Culver
Alcoa
Allergan
American Italian Pasta
Anheuser-Busch
Arizona Beverage
Atari
Audiovox
Banfi Vintners
Bausch & Lomb
Bayer
Bic-Sheaffer
Blue Bunny Ice Cream
Bolthouse Juices
Bonne Bell
Bridgestone/Firestone
Bush Beans
Cadbury Adams
Campbell
Canon
Carl Buddig
Challenge Butter
Chattem, Inc.
Chef America
Chicken of the Sea Seafoods
Coca-Cola
Colgate Palmolive
Columbia Sportswear
ConAgra
Contico
Coty
Dannon
Del Monte
Del Pharmaceuticals
Diageo
Dial
Dr. Pepper/Seven Up
Dreyers Edy's Grand Ice Cream
Dunlop Golf
Durex Products
EAS
Eastman Kodak
Euro-American Foods
Eveready
Farley's & Sathers
Ferrero USA
Fleishmann's Yeast
Florida Natural
Focus Golf
Frito Lay
Future Brands
General Mills/Pillsbury
Georgia Pacific
Glaxo SmithKline
Godiva Chocolatier
Guess Watches
Haagen-Dazs
Hamilton Beach/Proctor Silex
Hanes
Hawaiian Isles Coffee
Hawaiian Tropics
Heineken
Heinz
Hershey
Hills Pet Nutrition
Hormel Foods
Hostess-Wonder
John Morrell Meats
JVC
Johnson & Johnson
Ken's Salad Dressing
Kikkoman
Kiwi Brands
Konami of America
Konica Minolta
Kraft-Nabisco
Land O' Lakes
Lea & Perrins
L'eggs
Lego
Leiner Health
L'Oreal
Luxottica Group
Marcal Paper Mills
Mars
Maybelline
Maytag
McIlhenny
Melitta, North America
Midway Home Entertainment
Miller Brewing
Morton Salt
Motts
Mrs. Smith's Pies
Multifoods
Musco Foods
National Ind. Of Blind
Nestle
Neutrogena
Newman's Own
Nike Golf
Norvartis
Osram Sylvania
Panasonic
Pentax
Pentel
Pennzoil Quaker State
Pepperidge Farm
Pepsi Cola
Perdue Poultry
Philip Morris
Phillip's Seafood
Pictsweet
Pinnacle Foods
Procter & Gamble/Gillette
Quaker Oats
R.J. Reynolds
Reckitt Benckiser
Reilly Foods
Riviana Foods
Ross Labs
S. C. Johnson & Son
Samsonite
Sara Lee
Sargento Cheese
Schering-Plough
Schick
Sealy
Seiko/Pulsar
Seneca Foods
Shasta
Shop Vac
Shultze and Burch
Sioux Honey
Smucker's
Snapple Beverage
Snyder's Pretzels
Solo Cup
Sony
Stockmeyer
Sunkist
The Wine Group
3DO
3M
Timex
Tony's Pizza Service
Tootsie Roll
United States Tobacco
U.S. Nutrition
Vanity Fair Mills
VIP Frozen Vegetables
Vivendi
Voquestrap
Waterpik
Welch's
Wieder's Nutritional
Wrigley
Yankee Candle

Exhibit 2

Statement of

Kathleen B. Moakler
Director, Government Relations

THE NATIONAL MILITARY FAMILY ASSOCIATION

Before the

SUBCOMMITTEE ON MILITARY PERSONNEL

of the

HOUSE ARMED SERVICES COMMITTEE

February 7, 2008

Not for Publication
Until Released by
The Committee

The National Military Family Association (NMFA) is the only national organization whose sole focus is the military family. The Association's goal is to influence the development and implementation of policies that will improve the lives of those family members. Its mission is to serve the families of the seven uniformed services through education, information, and advocacy.

Founded in 1969 as the National Military Wives Association, NMFA is a non-profit 501(c)(3) primarily volunteer organization. NMFA represents the interests of family members and survivors of active duty, reserve component, and retired personnel of the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

NMFA Representatives in military communities worldwide provide a direct link between military families and NMFA staff in the nation's capital. Representatives are the "eyes and ears" of NMFA, bringing shared local concerns to national attention.

NMFA does not have or receive federal grants or contracts.

NMFA's website is: ***http://www.nmfa.org***.

Kathleen B. Moakler, Director, Government Relations

Mrs. Moakler has been associated with the National Military Family Association since 1995 as a member of the headquarters staff. Mrs. Moakler was appointed as Director of Government Relations in October 2007. In that position, she monitors the range of issues relevant to the quality of life of the families of the seven uniformed services and coordinates a staff of 4 deputy directors. Mrs. Moakler represents the interests of military families on a variety of advisory panels and working groups, including the American Red Cross "Get to Know Us Before You Need Us" working group, the DoD/VA Survivors Forum, and the State Department Interagency Roundtable. Mrs. Moakler is co-chair of the Survivors Committee and the Awards Committee for the Military Coalition (TMC), a consortium of 35 military and veteran organizations and serves on the Retiree Committee.

An Army spouse of over 28 years, Mrs. Moakler has served in various volunteer leadership positions in civilian and military community organizations in that time. Through the years, Mrs. Moakler has worked with various military community programs including hospital consumer boards, commanders' advisory boards, family readiness groups, church councils, youth programs, and the Army Family Action Plan at all levels. She believes that communication is paramount in the efficient delivery of services and the fostering of a rich community life for military families. She holds a Bachelor of Science degree in Business Administration from the State University of New York at Albany. Mrs. Moakler has been awarded the Army Commanders Award for Public Service and the President's Volunteer Service Award.

In addition to her work at NMFA, Mrs. Moakler participates as a co-director of the Contemporary Choir at the Chapel at Fort Belvoir, Virginia. She is also a military mom. Her daughter is an Army nurse who has served two tours in Baghdad and one son is an Army major stationed at Ft. Belvoir, Virginia. Her oldest son is an aspiring actor in Hollywood, California. Mrs. Moakler and her husband, retired Colonel Martin W. Moakler Jr. USA, reside in Alexandria, Virginia.

Madame Chairman and Distinguished Members of this Subcommittee, the National Military Family Association (NMFA) would like to thank you for the opportunity to present testimony today on the quality of life of military families. Once again, we thank you for your focus on the many elements of the quality of life package for service members and their families: access to quality health care, robust military pay and benefits, support for families dealing with deployment, special care for the families of the wounded, and of those who have made the greatest sacrifice.

NMFA endorses the recommendations contained in the statement submitted by The Military Coalition. In this statement, NMFA will expand on several issues of importance to military families:

I. Family Readiness
II. Family Health
III. Families and Deployment
IV. Wounded Families
V. Families in Transition
VI. Pay and Compensation
VII. Families and Community

Family Readiness

Today's military families are required to be in a constant state of readiness. They are preparing for deployment, experiencing a deployment, or recovering from a deployment until it is time to prepare for another one. Family readiness calls for coordinated programs and the information delivery system necessary to create a strong foundation of family preparedness for the ongoing and unique challenges of military family life.

NMFA is most grateful for the provisions included in the National Defense Authorization Act (NDAA) for Fiscal Year 2008. This Subcommittee listened to the family concerns presented in our testimony last year and provided legislative changes that will greatly benefit military families. NMFA maintains the Department of Defense (DoD) and the Services provide many great programs to support military families during all stages of deployment. It is imperative, as the conference language emphasizes, "support is continuously available to military families in peacetime and war, as well as during periods of force structure change and relocation of military units." NMFA appreciates the emphasis on a consistent support structure for both active duty and reserve component, and the recommended inclusion of family support programs in the planning and budgeting process.

We are especially interested in the Congressional mandate for DoD to measure the effectiveness and performance of these support programs. Developing standardized metrics and ensuring all programs are properly evaluated against those metrics will ensure only the most effective and necessary programs continue to receive funding while indicating any shortfalls in coverage where new or

expanded programs may be required. We look forward to participating in the surveys and reading the outcome of the required reports.

The establishment of a DoD Military Family Readiness Council will elevate the importance of family readiness and the programs that support family readiness. We hope to work closely with the Council and to participate wherever possible in the formulation of its recommendations.

Since the beginning of the Global War on Terror, family programs have made great progress. Outreach to families is constantly evolving. We continue to hear from more and more families who access Military OneSource for information and counseling sessions. NMFA regards Military OneSource (*www.militaryonesource.com*), DoD's version of an employee assistance program, as a solid resource for service members, military families and their extended family members, regardless of Service affiliation or geographical location.

The DoD web portal *www.militaryhomefront.dod.mil* and the Service websites continue to adapt to the changing needs of families. The Army, including the Army Reserve, has been promoting virtual family readiness groups as one way for the geographically dispersed units to come together for support and information. The DoD Office of Family Policy is reaching out to service providers with their traveling Joint Family Assistance Workshop highlighting DoD resources. They also train service providers – relocation managers, financial counselors, state family assistance coordinators and others – on the most effective use of resources, cross training them to be information and referral specialists.

While we often think of family readiness in terms of military readiness, recent natural disasters have placed military families in the position of literally running for their lives. We are all familiar with the devastation families impacted by Hurricane Katrina. The wildfires in California this year found many military installations in its path. It was encouraging to observe how the Navy and Marines used the lessons learned in Katrina to alert families to the fire danger and to establish safe locations for military families, with one-stop aid centers to help them. Quick coordination of services was apparent and lessened the blow to the military families who found themselves displaced because of the fires. Military families, like all American families, should be ready for emergencies. Installation and command programs that foster emergency preparedness are another way to foster family readiness.

Child Care

The Services—and families—continue to tell NMFA more child care spaces are needed to fill the ever growing demand. We hear good news stories like this from Fort Irwin, California.

> *In recent months the CDC (Child Development Center) has extended hourly care on a trial basis to see if longer hours would be sufficiently used to warrant the changes. This resulted from requests from families for longer hourly care hours which typically were only available from 0900-1400.*

Longer free respite hours are now available for all deployed families and limited respite hours are available for Rear Detachment families.

But, we also hear other stories from families:

We continue to struggle with the child care programs that were created to assist Guard and Reserve specifically. Long wait lists, denial of services because providers do not have the credentialing/license specified by the DoD and NACCRRA (National Association of Child Care Resource and Referral Agencies) program. It is unfortunate that I will not even recommend the Operation Child Care benefit to my families any longer because they have actually been told that Air Force/ANG/AFR families do not qualify to use the program. The program/programs have so much red tape that what started out to be a positive resource has become a negative because people cannot utilize the programs when needed. Families who have been denied services or hit a brick wall when pursuing the program feel angry, let down and disappointed. This really hampers morale so why bother to add stress to an already stressful situation for them.

NMFA is very grateful for the additional Child Care Centers (CDC) Congress included in the Military Construction Appropriations Act for Fiscal Year 2008. However, the new Centers and funding will only provide 10 percent of the full time slots currently needed. There is still a shortfall of 31,500 spaces. These figures do not include drop-in and respite care shortages, which exist throughout the force. Multiple deployments have diminished the number of child care providers, both Center and home-based because Child and Youth Service (CYS) programs have historically counted heavily on the ranks of military spouses to fill these positions. Service CYS programs report a growing shortage of spouses willing to provide child care as the stress of single parenting and the worry over the deployed service member takes its toll. The partnerships between the Services and the National Association of Child Care Resource and Referral Agencies (NACCRRA) are helping and have grown over the past two years; however, not all families qualify for the subsidies and not all programs are the same. To its credit, DoD is trying to provide an equal benefit across the board to its families. DoD CDCs are nationally accredited. In order to qualify for the NACCRRA program, participating CDCs must be nationally accredited. This is an expensive and complex procedure. Perhaps, an incentive could be provided to participating CDCs to receive their accreditation. Not only would military children benefit, but all children using the Center would benefit as well.

As always, getting the word out to families that such programs exist is challenging. Military OneSource must do a better job of putting the NACCRRA programs at the top of their list when referring families to CDCs within their neighborhood. Too often, a family will call OneSource and receive the closest child care option to their home address, NOT the program that is currently working with the military and providing subsidies.

Innovative strategies are also needed when addressing the unavailability of after-hour child care (before 6 A.M. and after 6 P.M.) and respite care. The Army, as part of the funding attached to its Army Family Covenant is rolling out more spaces for respite care for families of deployed soldiers. Respite care is needed across the board for the families of the deployed and for special needs families. Families often find it difficult to obtain affordable, quality care especially during hard-to-fill hours and on weekends. Both the Navy and the Air Force have piloted excellent programs that provide 24/7 care. The Navy has Centers in Norfolk and Hawaii, which provide a home-like atmosphere for children of Sailors working late nights or varying shifts. The Air Force provides Extended Duty Child Care and Missile Care (24-hour access to child care for service members working in the missile field). These innovative programs must be expanded to provide care to more families at the same high standard as the Services' traditional child development programs.

NMFA urges Congress to ensure resources are available to meet the child care needs of military families to include hourly, drop-in and increased respite care for families of deployed service members and families with special needs members.

Working with Youth

Older children and teens must not be overlooked. School personnel need to be educated on issues affecting military students and be sensitive to their needs. To achieve this goal, schools need tools. Parents need tools too. Military parents constantly seek more resources to assist their children in coping with military life, especially the challenges and stress of frequent deployments. Parents tell NMFA repeatedly they want resources to "help them help their children." Support for parents in their efforts to help children of all ages is increasing but continues to be fragmented. New federal, public-private initiatives, increased awareness, and support by DoD and civilian schools educating military children have been developed; however, many military parents are either not aware such programs exist or find the programs do not always meet their needs.

NMFA is working to meet this pressing need through its *Operation Purple*®summer camps. Unique in its ability to reach out and gather military children of different age groups (7-18), Services, and components, *Operation Purple* provides a safe and fun environment in which military children feel immediately supported and understood. Last year, 4,000 campers, primarily the children of deployed service members, were able to attend camp. Our ultimate goal for 2008, with the support of private donors, is to send 10,000 military children to camp. Additionally, NMFA hopes to expand the camp experience to more children of the wounded and bereaved, and a program addressing the family as a unit.

NMFA appreciates the provisions in the FY 2008 NDAA instructing DoD to report on the effects of deployment of children of all ages. Through its *Operation Purple* camps (OPC), NMFA has begun to identify the cumulative effects multiple deployments are having on the emotional growth and well being of military children and the challenges posed to the relationship between deployed parent and child in

this very stressful environment. Understanding a need for qualitative analysis of this information, NMFA contracted with the RAND corporation to conduct a pilot study aimed at the current functioning and wellness of military children attending *Operation Purple* camps and assessing the potential benefits of the OPC program in this environment of multiple and extended deployments. The results of this pilot study will be available later this spring. NMFA also plans an additional longitudinal study over the next several years.

Education of Military Children

As increased numbers of military families move into new communities due to Global Rebasing and BRAC, their housing needs are being met further and further away from the installation. Thus, military children may be attending school in districts whose familiarity with the military lifestyle may be limited. Educating large numbers of military children will put an added burden on schools already hard-pressed to meet the needs of their current populations. Impact Aid has traditionally helped to ease this burden; however, the program remains under-funded. NMFA remains appreciative of the additional funding you provide to civilian school districts educating large numbers of military children. However, NMFA was disappointed to learn the DoD supplement to Impact Aid was once again funded at only $30 million dollars for FY 2008 for school districts with more than 20 percent military enrollment and only $10 million was provided to school districts experiencing significant shifts in military dependent attendance due to force structure changes, with another $5 million for districts educating severely-disabled military children.

While the total funding available to support civilian schools educating military children is greater than in recent years, we urge Congress to further increase funding for schools educating large numbers of military children. This supplement to Impact Aid is vital to school districts that have shouldered the burden of ensuring military children receive a quality education despite the stresses of military life. NMFA also encourages this Subcommittee to make the additional funding for school districts experiencing growth available to all school districts experiencing significant enrollment increases and not just to those districts meeting the current 20 percent enrollment threshold. We also urge you to authorize an increase in the level of this funding until BRAC and Global Rebasing moves are completed. The arrival of several hundred military students can be financially devastating to any school district, regardless of how many of those students the district already serves. Because military families cannot time their moves, they must find available housing wherever they can. Why restrict DoD funding to local school districts trying to meet the needs of military children simply because they did not have a large military child enrollment to begin with?

NMFA congratulates the DoD Office of Personnel and Readiness and the Council of State Governments (CSG) for drafting the new Interstate Compact on Educational Opportunity for Military Children. This compact is intended to bring states together to allow for the uniform treatment, at the state and local district level, of military children transferring between school districts and states. Since July 2006, CSG has worked with a variety of federal, state and local officials as well as national stakeholder organizations representing education groups and military

families to create the new interstate compact. NMFA was pleased to participate on both the Advisory Group and Drafting Team for the compact. Currently, many states are considering joining the compact, and legislatures in several have already filed bills to allow their states to participate. NMFA is very excited to see this important state legislation going forward.

NMFA asks Congress to increase the DoD supplement to Impact Aid to $50 million to help districts better meet the additional demands caused by large numbers of military children, deployment-related issues, and the effects of military programs and policies. We also ask Congress to allow all school districts experiencing a significant growth in their military student population due to BRAC, Global Rebasing, or installation housing changes to be eligible for the additional funding currently available only to districts with an enrollment of at least 20 percent military children.

Spouse Education

Since 2004, NMFA has been fortunate to sponsor our Joanne Holbrook Patton Military Spouse Scholarship Program, with the generosity of donors who wish to help military families. In 2007, NMFA published *Education and the Military Spouse: The Long Road to Success*, based on spouse scholarship applicant survey responses, identifying education issues and barriers specific to military spouses. The entire report may be found at *www.nmfa.org/education*.

The survey found military spouses, like their service members and the military as a whole, value education and set education goals for themselves. Yet, military spouses often feel their options are limited. Deployments, the shortage of affordable and quality child care, frequent moves, the lack of educational benefits and tuition assistance for tuition are discouraging.

For military spouses, the total cost of obtaining a degree can be significantly higher than the cost for civilian students. The unique circumstances that accompany the military lifestyle have significant negative impacts upon a spouse's ability to remain continuously enrolled in an educational program. Military spouses often take longer than the expected time to complete their degrees. More than one-third of those surveyed have been working toward their goal for five years or more.

The report offers recommendations for solutions that Congress could provide. Some, like the recently announced partnership between the Department of Labor (DoL) and DoD to designate military spouses as an eligible group for DoL training and education funds have been implemented. Others include:

- Ensuring installation education centers have the funding necessary to support spouse education programs and initiatives,
- Providing additional child care funding to support child care needs of military spouse-scholars,
- Providing additional funding for education benefits under the "Spouses to Teachers" program,

- Helping to defray additional costs incurred by military spouses who ultimately spend more than civilian counterparts to obtain a degree. Some possibilities include:
    - Removing housing allowances from FAFSA calculations to allow more spouses to qualify for need-based financial aid programs,
    - Providing tuition assistance to spouses,
    - Providing an additional education tax credit to military spouses.

Also in the spouse suggestions was expanded eligibility for the transfer of Montgomery G.I. Bill education benefits. NMFA wishes to thank President George W. Bush for his recognition of the importance of educational opportunities to military spouses in his recent State of the Union address. NMFA hears often from military spouses who wish they had access to the unused Montgomery G.I. Bill education benefits of their service member. They feel this would greatly assist them in the pursuit of educational and career objectives. Expanding the existing G.I. Bill transferability pilot has been a top issue for the Army-wide Army Family Action Plan delegates for several years. NMFA believes that expanding the Montgomery G.I. Bill benefit to eligible dependents would go a long way in making education more affordable for them.

We have concerns, however, on how to ensure an equitable disbursement of this benefit and how the expansion of this program will be funded. We feel the sooner in a service member's career that spouses could avail themselves of this benefit, the greater the positive impact would be on the spouse's education. Although these benefits are currently available through some Services, we believe that all military spouses of eligible service members should be eligible. In addition, we would hope transference of G.I. benefits would not preclude the service member from receiving re-enlistment or other incentive bonuses. It is difficult for families to make the choice between the short-term benefit of bonuses and the long-term effect of additional education of the spouse on the family. NMFA realizes that extending educational benefits to military children may have unintended effects on future recruitment of those same military children. It is a complex issue and we welcome a full discussion of any legislation that may be proposed with Congress and the Services.

Spouse Employment, Unemployment

NMFA applauds the DoD, and DoL, and the Department of Veteran Affairs (VA) for the new Military Spouse Career Advancement Initiative, which creates a more accessible education system for military spouses along with targeting careers in high-growth sectors. The Military Spouse Career Advancement Initiative will provide more than $35 million to military spouses in eight states on 18 military installations, and set up accounts for eligible spouses in those states to cover expenses directly related to post-secondary education and training. NMFA believes this is an important first step to helping spouses advance their careers, but we would like to see this pilot program expanded. NMFA supports H.R. 2682 which expands the Workforce Opportunity Tax Credit for employers who hire spouses of active duty and Reserve component service members, and to provide tax credits to

military spouses to offset the expense in obtaining career licenses and certifications when service members are relocated to a new duty station within a different state.

Expanding spouse hiring preference beyond the DoD to the entire Federal government is another avenue to enhancing employment opportunities and career development for military spouses.

Financial Readiness

Financial readiness is a critical component of family readiness. NMFA completely supports the Military Lending Act (MLA) and is following its implementation and enforcement closely. This legislation was desperately needed to protect service members and their families from unscrupulous business practices. Last year we expressed our concern that many lenders would attempt to exploit loopholes in the narrow definitions contained in the regulation to circumvent the intent of this important legislation. Unfortunately, our fears have been realized. Covered products are so narrowly defined, lenders have changed their product to fit the regulations. Payday loans have become revolving credit loans addressed in the MLA. The Refund Anticipation Loans (RALs) regulated in the MLA that were addressed were re-packaged as well by tax preparation companies. Although they meet the letter of the law, the new products use a debit card as a vehicle for the loan. One debit card has an expiration date of August. If the taxpayer fails to spend the entire refund by the expiration date a fee is charged to get the remainder of the tax refund back. Installment loans, rent to own, and credit cards are still not addressed.

While we fully recognize expanding this regulation could impede the ability of some service members and their families to obtain short-term loans, we believe this risk is justified given the negative impact of the use of predatory loans. Military banks and credit unions have worked diligently to develop excellent alternatives to payday loans. Small dollar, short-term loan products are available to service members through reputable lenders and should be marketed to pull families away from predatory lenders. We look forward to the Congressionally-mandated DoD report on the MLA due in April 2008. We also believe better education about other available resources and improved financial education for both the service member and spouse will also reduce the risk. NMFA contends that legitimate lenders have no need to fear an interest rate cap of 36 percent. We encourage DoD to continue to make military families aware of the need to improve their money management skills and avoid high cost credit cards and other lenders. DoD must continue to monitor high cost, low value financial products targeted at military families.

NMFA asserts that the protections provided under the Military Lending Act must be strengthened to eliminate loopholes that will diminish the protection for service members and their families. We urge Congress to monitor DoD's implementation of the legislative provision to ensure full protections are made available to military families.

Family readiness is directly linked to service member readiness. NMFA asks Congress to direct DoD to maintain robust family readiness programs

addressing child care, youth services, education of military children, spouse employment and education, and financial literacy and to see that resources are in place to accomplish this goal.

Family Health

Family readiness calls for access to quality health care and mental health services. Families need to know the various elements of their military health system are coordinated and working as a synergistic system. NMFA is concerned the DoD military health care system may not have all the resources it needs to meet both the military medical readiness mission and provide access to health care for all beneficiaries. It must be funded sufficiently, so the direct care system of military treatment facilities (MTF) and the purchased care segment of civilian providers can work in tandem to meet the responsibilities given under the TRICARE contracts, meet readiness needs, and ensure access for all military beneficiaries.

The Military Health Care System

Officials of the DoD often speak of "the Military Health System", the MHS. There are annual MHS conferences, a Military Health System website (*www.tricare.mil*), and a MHS Strategic Plan. The current round of TRICARE contracts require coordination of many health care activities in markets with multiple MTFs and Memoranda of Understanding to govern the relationships between TRICARE contractors and individual MTFs. Battlefield medicine has never been more joint and is supported by the coordination of many elements. While NMFA believes DoD has made some progress in living up to the rhetoric regarding a military health "system", we still see too many separations between and within Services. We agree with the statement of the Task Force on the Future of Military Health Care that there is a "lack of integration (within the MHS, which) diffuses accountability for fiscal management, result (ing) in misalignment of incentives, and limits the potential for continuous improvement in the quality of care delivered to beneficiaries." NMFA feels there have been many missed opportunities resulting in inefficiencies, higher costs, and decreased beneficiary satisfaction. For example,

- In a market served by several military hospitals and clinics, one MTF decides to limit the items carried in its pharmacy. While this decision saves money for this particular MTF, it shifts pharmacy costs to other local MTFs or to DoD as a whole when beneficiaries opt to obtain their medications in the more expensive retail pharmacies.
- In another market with several MTFs, local commanders work together to share providers in order to keep care within the MTF direct care side of the system and avoid the costs of moving more patients to the more expensive purchased care side. This arrangement, while sucessful, depends on the individuals involved and could change when commanders are replaced.
- In Alaska, several factors are in play: different Services, geographical boundaries, and a lack of a robust civilian network specialty care. Currently, the solution is to fly the service member, family member(s), or retiree to the nearest MTF – Madigan Army Medical Center in Washington State rather than finding care close to home.

NMFA thanks this Subcommittee for supporting continued funding to provide for a robust military health care system. This system must continue to meet the needs of service members and the DoD in times of armed conflict. It must also acknowledge that military members and their families are indeed a unique population with unique duties, who earn an entitlement to a unique health care program.

The proposals by DoD and the Task Force on the Future of Military Health Care to raise TRICARE fees by exorbitant amounts have resonated throughout the beneficiary population. Beneficiaries see these proposals as a concentrated effort by DoD to change their earned entitlement to health care into an insurance plan. NMFA appreciates the concern shown by Members of Congress since the release of DoD's proposals regarding the need for more information about the budget assumptions used to create the proposals, the effects of possible increases on beneficiary behavior, the need for DoD to implement greater efficiencies in the Defense Health Care Program (DHP), and the adequacy of the DHP budget as proposed by DoD. We appreciate the many questions Members of Congress are asking about these proposals and urge Congress to continue its oversight responsibilities on these issues.

TRICARE

In the ongoing debate about whether or not to raise TRICARE beneficiary fees, NMFA believes it is important for everyone participating in that debate to understand the difference between TRICARE Prime and TRICARE Standard and to distinguish between creating a TRICARE Standard enrollment fee and raising the Standard deductible amount. TRICARE Prime has an enrollment fee for military retirees; however, it offers enhancements to the health care benefit. These enhancements include: lower out-of-pocket costs, access to care within prescribed standards, additional preventive care, assistance in finding providers, and the management of one's health care. In other words, enrollment fees for Prime are not to access the earned entitlement, but for additional services. These fees, which have not changed since the start of TRICARE, are $230 per year for an individual and $460 per year for a family.

	Prime	**Standard**
Enrollment fees	$230/year for an individual; $460/year for a family	None
Annual Deductibles	None	$150/individual; $300 for a family
Outpatient co-payment (Prime)/cost share (Standard) for individual providers	$12	25% of allowed charges [1,2]
Inpatient co-payment/cost share for individual providers	None	25% of allowed charges [1,2]

Daily inpatient hospitalization charge	Greater of $11 per day or $25 per admission	Lesser of $535/day or 25% of billed charges if treated in non-network hospital [3]
Emergency Services co-payment/cost share	$30	25% of allowed charges
Ambulance Services co-payment/cost share	$20	25% of allowed charges
Preventive Examinations (such as: blood pressure tests, breast exams, mammograms, pelvic exams, PAP smears, school physicals) co-payments/cost shares	None	25% cost share [1,2]

[1] Providers may charge 15% above the TRICARE allowable and the beneficiary is responsible for this additional cost, making the potential cost share 40%.
[2] If care is accessed from a TRICARE Prime/Extra network provider the cost share is 20%.
[3] If care is received in a TRICARE Prime/Extra network hospital, the daily hospitalization rate is the lesser of $250/day or 25% of negotiated charges.
(For a more detailed comparison of TRICARE costs, go to: http://www.tricare.mil/tricarecost.cfm)

TRICARE Prime

DoD's proposal to increase TRICARE Prime enrollment fees, while completely out-of-line dollar wise, was not unexpected. While Congress temporarily forestalled increases over the past two years, NMFA believes DoD officials continue to support large increased retiree enrollment fees for TRICARE Prime, combined with a tiered system of enrollment fees and TRICARE Standard deductibles. The Task Force on the Future of the Military Health Care report, recently recommended the same. NMFA believes DoD's tiered system based on rank was arbitrarily devised and failed to acknowledge the needs of the most vulnerable beneficiaries: survivors, wounded service members, and their families. NMFA does consider the Task Force's tiered system to be more palatable since it is based on retiree pay rather than rank.

NMFA acknowledges the annual Prime enrollment fee has not increased in more than 10 years and that it may be reasonable to have a mechanism to increase fees. With this in mind, NMFA has presented an alternative to DoD's proposal should Congress deem some cost increase necessary. The most important feature of our proposal is that any fee increase be no greater than the percentage increase in the retiree cost of living adjustment (COLA). If DoD thought $230/$460 was a fair fee for all in 1995, then it would appear that raising the fees simply by the percentage increase in retiree pay is also fair. NMFA also suggests it would be reasonable to adjust the TRICARE Standard deductibles by tying increases to the percent of the retiree annual COLA.

TRICARE Standard

NMFA remains especially concerned about what seems to be the intent of DoD and the Task Force on the Future of Military Health Care to create a TRICARE Standard enrollment fee. TRICARE Standard, as the successor to CHAMPUS, is an extension of the earned entitlement to health care. Charging a premium (enrollment fee) for TRICARE Standard moves the benefit from an earned entitlement to an opportunity to buy into an insurance plan. We are pleased the Task Force did not recommend an enrollment fee for active duty family members. We note, however, Standard is the only option for many retirees, their families, and survivors because TRICARE Prime is not offered everywhere. Also, using the Standard option does not guarantee beneficiaries access to health care, which beneficiaries opting to use Standard rather than Prime understand. DoD or the Task Force has not linked any guarantee of access to a Standard enrollment fee.

We also ask what additional services beneficiaries who enroll in Standard will receive after paying the enrollment fee. Or, will they only be paying for the "privilege" of having to seek their own providers, often filing their own claims, meeting a deductible, paying a 20 to 25 percent cost share for their care (plus an additional 15 percent if the provider does not participate in the claim), and being liable for a daily hospitalization charge of up to $535? And, because they recognize the cost liabilities of being in Standard, we know most will continue to bear the cost of a TRICARE supplemental insurance policy.

NMFA opposes DoD's proposal to institute a TRICARE Standard enrollment fee and believes Congress should reject this proposal because it changes beneficiaries' entitlement to health care under TRICARE Standard to just another insurance plan. However, we would be remiss if we did not ask the many questions beneficiaries have about how a Standard enrollment fee would be implemented and its implications regarding access to care:

1. How much will it cost to implement the enrollment fee, including the education efforts, additional tasks imposed on the TRICARE contractors, and the inevitable cost of handling appeals from beneficiaries whose claims were denied because they did not know they had lost their benefit?
2. What type of open enrollment season will be needed to provide retirees with the opportunity to coordinate coverage between TRICARE and their employer-sponsored insurance?
3. Will retirees who do not enroll in Prime and do not pay a premium (enrollment fee) for Standard be refused space available care in military treatment facilities (MTFs), including their emergency rooms?
4. Will these same retirees be refused pharmaceutical services at MTFs or be unable to use TRICARE retail network pharmacies and the TRICARE mail order pharmacy?
5. Will retirees who only use Standard as a wrap-around to their employer-provided health care insurance pay the same premium (enrollment fee) as those who will use Standard as their primary coverage?

NMFA is most appreciative of efforts by Congress to force DoD to improve TRICARE Standard. Congressionally-mandated surveys of providers have pointed

out some issues related to providers' reluctance to treat TRICARE patients, including the perennial complaints of complicated paperwork and low reimbursement rates. We appreciate Congress' requirement of DoD to report on patient satisfaction.

Pharmacy

It has been theorized there is a relationship between medication co-payments and the use of generics by beneficiaries: as the difference in co-payment widens between two groups (generics and preferred-band named medication to non-preferred brand named drugs), beneficiaries will chose the lower costing medications. In fact, the Task Force used this assumption when designing their pharmacy tier and co-payment structure. However, some studies have shown a high co-payment does not necessarily drive beneficiaries to choose lower costing medications. One study found participants did not switch to the lower cost generics, finding there was a decrease in overall medication purchases by consumers. This decrease in drug utilization meant consumers were no longer adhering to or complying with their medication regime, which could lead to increased Emergency Room visits and in-patient hospital stays. It is believed the unexpected outcome resulted from the lack of education by the insurer to the beneficiaries. Results may have been different if they had been told the reason behind the large increases and provided information on ways to lower their drug costs through the purchase of generics and preferred-brand named drugs. As we all know, DoD infrequently contacts its beneficiaries, even though military associations have asked for years for this to be done. NMFA cautions DoD about generalizing findings of certain beneficiary behaviors and automatically applying them to our Nation's unique military population. NMFA encourages Congress to require DoD to utilize peer-reviewed research involving beneficiaries and prescription drug benefit options, along with performing additional research involving military beneficiaries, before making any recommendations on prescription drug benefit changes such as co-payment and tier structure changes for military service members, retirees, their families and survivors.

NMFA appreciates the inclusion of federal pricing for the TRICARE retail pharmacies in the FY 2008 NDAA. However, we will need to examine its effect on the cost of medications for both beneficiaries and DoD. Also, we will need to see how this may potentially impact the overall negotiation of future drug prices by Medicare and civilian private insurance programs.

NMFA appreciates the establishment of the Beneficiary Advisory Panel (BAP), which gave beneficiaries a voice in DoD process to move medications to the Uniform Formulary's third tier. The BAP has played an important role, but, at times it has been limited in its ability to be effective. NMFA requests Congress require the BAP play a more substantial role in the formulary-setting process, have access to drug cost data on medications being considered, have BAP comments directly incorporated in the decision-making process, and require formal feedback by DoD addressing why recommendations by the BAP were not taken into consideration.

TRICARE for Life Enrollment Fees

NMFA applauds the Congressional creation of TRICARE for Life. The reasons behind the creation of this benefit was to right an injustice. We should not let this get lost when the Task Force's recommendation, to include an enrollment fee for retired service members over 65, is discussed by DoD. NMFA strongly believes an enrollment fee for TFL is not appropriate for many reasons. The fee will create additional financial burdens on a population who has limited income and is currently paying for Medicare Part B at $94 a month. The current system does not really encourage wellness and prevention. It is important to maintain continuity of care and access to prevention programs for Medicare eligible retirees because it will stabilize this group known for its co-morbidities and lead to more cost-effective care for both Medicare and TRICARE. Also, being part of TRICARE allows beneficiaries to access medications through MTFs and TMOP, which creates a lower individual out-of-pocket burden and provides significant costs savings for DoD and ultimately Medicare, making the beneficiary a good steward of our tax dollars. Certainly, a victory for everyone involved.

TRICARE Reimbursement

NMFA has been encouraged by the TRICARE contractors' efforts to speed payments, especially to providers who choose to file claims electronically. TRICARE is no longer the slowest payer, but it remains the lowest payer. TRICARE rates are tied to Medicare rates, which often mean providers are reluctant to accept too many TRICARE beneficiaries. The passage of the Medicare, Medicaid, and SCHIP Extension Act of 2007 in December was important to TRICARE beneficiaries because it prevented a scheduled 10.1 percent cut to Medicare physician reimbursement rate for six months and provided a half-percent update in payments. NMFA is concerned that continuing pressure to lower Medicare reimbursement rates will create a hollow benefit for TRICARE beneficiaries. As Congress takes up Medicare legislation this summer, NMFA requests consideration of how this legislation will also impact military families' health care, especially access to mental health services.

NMFA believes tying increases in TRICARE enrollment fees to the percentage increase in the retiree Cost of Living Adjustment (COLA) is a fair way to increase beneficiary cost shares should Congress deem an increase necessary.

NMFA encourages Congress to direct DoD to continue efforts to gain real efficiencies, improve the quality of care, and access before passing additional costs on to beneficiaries.

NMFA believes Congress and DoD must address the reasons why providers do not accept TRICARE Standard.* There should be NO *enrollment fee for TRICARE Standard and TRICARE for Life (TFL). Further research should be done on the pharmacy benefit's impact on beneficiaries.

Improving Access to Care

MHS funding shortfalls are experienced first-hand by military families enrolled in TRICARE Prime when they find their MTF cannot meet prescribed access standards. No one is more cognizant of the need for superior health care to be provided to service members in harm's way than their families. However, a contract was made with those who enrolled in Prime. Beneficiaries must seek care in the manner prescribed in the Prime agreement, but in return they are given what are supposed to be guaranteed access standards. When an MTF cannot meet those standards, appointments within the civilian TRICARE network must be offered. In many cases, this is not happening and families are told to call back next week or next month. In other cases, MTFs must send enrolled beneficiaries to providers in the civilian network, thus increasing costs to the system as a whole.

Because operational requirements have reduced the number of uniformed health care personnel available to serve in the MTF system, a more coordinated approach is needed to optimize care and enable MTFs to meet access standards. We continue to hear difficulties in the Service contracting process are preventing MTFs from filling open contract provider slots and thus optimizing care within their facilities or increasing the overall numbers of health care providers to help backfill forward deployed health care personnel. NMFA suggests DoD reassess the resource sharing program used prior to the implementation of the T-Nex contracts and take the steps necessary to ensure MTFs meet access standards with high quality health care providers.

MTFs must have the resources and the encouragement to ensure their facilities are optimized to provide high quality, coordinated care for the most beneficiaries possible. They must be held accountable for meeting stated access standards. If funding or personnel resource issues are the reason access standards are not being met, then assistance must be provided to ensure MTFs are able to meet access standards, support the military mission, and continue to provide quality health care.

DoD Must Look for Savings

The Task Force on the Future of Military Health Care, along with the Government Accountability Office, highlighted DoD had no single point of accountability for costs. In fact, the Task Force went as far as to say "DoD cannot provide financial statements that are reliable or that account with a high level of confidence the true and accurate costs of health care in the MHS." Given this information, how can we know what DoD's cost for beneficiary health care really is? We ask Congress to establish better oversight for DoD's accountability in becoming more cost-efficient.

We have two possible recommendations:

- Require the Comptroller General to audit MTFs on a random basis until all have been examined for their ability to provide quality health care in a cost-effective manner;
- Create an oversight committee, similar in nature to the Medicare Payment Advisory Commission, which provides oversight to the

Medicare program and makes annual recommendations to Congress. The Task Force often stated it was unable to address certain issues not within their charter or the timeframe in which they were commissioned to examine the issues. This Commission would have the time to examine every aspect in a nonbiased manner.

According to the Task Force on the Future of Military Health Care, DoD's organizational structure is a large, inflexible, disintegrated system that leads to negative outcomes at the operational level. The Task Force noted fragmentation still exists within the MHS, which is unable to effectively leverage resources to meet common or shared requirements. The Task Force recommended DoD needed greater flexibility and alignment at all levels in order to provide better decision-making based on cost-effectiveness and to plan properly to manage prudently its direct versus purchased health care services. DoD and the Task Force have made recommendations for beneficiaries to pay enrollment fees, higher co-pays and deductibles. NMFA believes DoD must first make the health care side of its house run more efficiently. Large private sector Health Care Organizations have incorporated best business practices and centralized their resources. However, DoD continues to split health care resources between three Services, and within the Services and between the TRICARE contractors. Why should military families have to pay for DoD's inability to gain control of their health care costs through streamlining their organization? One solution would be to move toward a Unified "Joint" Medical Command structure, which was recommended by the Defense Health Board in 2006.

In recent years at the annual TRICARE conferences and other venues, DoD officials have discussed the benefits of disease management, especially for certain chronic illnesses. These benefits flow to the beneficiaries through better management of their conditions and to DoD through patients' decreased need for costly emergency room visits or hospitalizations. However, more needs to be done. NMFA does not support the recommendation of the Task Force on the Future of Military Health Care to carve out one regional TRICARE contractor to provide both the pharmacy and health care benefit. We agree a link between pharmacy and disease management is necessary, but feel this pilot would only further erode DoD's ability to maximize potential savings through TMOP. NMFA was also disappointed to find no mention of disease management or a requirement for coordination between the pharmacy contractor and Managed Care Support Contractors in the Request for Proposals for the new TRICARE pharmacy contract. The ability certainly exists for them to share information bi-directional.

Despite the successes of the TRICARE Next Generation (T-Nex) managed care support contracts, NMFA remains concerned that efforts to optimize the MTFs have not met expectations in terms of increasing or even maintaining access for TRICARE beneficiaries. NMFA believes optimizing the capabilities of the facilities of the direct care system through timely replacement construction, funding allocations, and innovative staffing would allow more beneficiaries to be cared for in the MTFs, which DoD asserts is the least costly venue. The Task Force made recommendations to make DoD MHS more cost-efficient. NMFA supports: the MHS

must be appropriately sized, resourced, and stabilized; and make changes in its business and health care practices.

NMFA is dismayed that DoD has taken only small steps to encourage migration to the TRICARE Mail Order Pharmacy (TMOP). Its marketing effort to promote the use of the TMOP came only after NMFA and other associations raised the issue in Congressional testimony in their push for the implementation of significant cost-saving measures prior to any increase in TRICARE fees. Promoting use of the TMOP makes sense, as it provides significant savings to beneficiaries, as well as huge savings to the Department. The creation of the Members Choice Center by DoD and Express Scripts in August 2007, to provide personal assistance in transferring beneficiaries' prescriptions from TRICARE Retail Pharmacies (TRRx) to TMOP, has provided more than $800,000 in savings to beneficiaries and $9.3 million to DoD. Significant savings have also been seen in the Over the Counter (OTC) demonstration project for select Proton Pump Inhibitors. In just six months, roughly 14,000 beneficiaries have participated with huge savings to beneficiaries and DoD. We are confident similar results will be seen with the second OTC demonstration project for select Antihistamine products. NMFA believes it is imperative all of the medications available through TRRx should also be made available through TMOP. Medications treating chronic conditions, such as asthma, diabetes, and hypertension should be made available at the lowest level of co-payment regardless of brand or generic status. We agree with the recommendations of the Task Force on the Future of Military Health Care that OTC drugs be a covered pharmacy benefit and there be a zero co-pay for TMOP Tier 1 medications.

NMFA strongly suggests that DoD look within itself for cost savings before first suggesting that beneficiaries bear the burden! We encourage DoD to investigate further cost saving measures such as: a systemic approach to disease management, a concentrated marketing campaign to increase use of the TRICARE Mail Order Pharmacy, eliminating contract redundancies, holding DoD more accountable, moving towards a Unified Medical Command, and optimizing MTFs.

Support for Families With Special Needs

NMFA is grateful to Congress for expanding health care and other support services to military dependent children with autism in the FY 2008 NDAA. This complicated condition places a burden on many military families. Frequent military moves make it difficult for these children to receive a consistent level of services. Approximately 12 percent of military children have disabilities, of which autism is only one condition affecting military special needs children. While grateful for the increased support targeted at military children with autism, NMFA urges Congress and DoD to ensure a comparable level of support for all military special needs families. Deployment of a service member removes a caregiver from the home, making managing therapy and doctors' appointments, negotiating with school officials for suitable services, and caring for other children in the family difficult for the parent remaining behind.

In the FY 2002 NDAA, Congress authorized the Extended Care Health Option (ECHO) to provide additional benefits to active duty with a qualifying mental or physical disability in recognition of extraordinary challenges faced by active duty families because of the service member's deployment or frequent relocations that often make accessing services in the civilian community difficult. We applaud the Congress and DoD desire to create a robust health care and educational service for special needs children. But, these robust services do not follow them when they retire. NMFA has encouraged the Services to allow these military families the opportunity to have their final duty station be in an area of their choice. This will allow them to move up on waiting lists for local services before retirement. Because not all service members can have such an assignment, NMFA suggests ECHO be extended for one year after retirement for those who were already enrolled in ECHO prior to retirement.

We remain concerned that military service members with special needs family members continue to battle a lack of information or support and are often frustrated by the failure of the military health care and family support systems to work together and with civilian agencies to support their families' needs.

Guard and Reserve Family Health Care

Despite increased training opportunities for families, the problem still persists of educating Guard and Reserve family members about their benefits. New and improved benefits do not always enhance the quality of life of Guard and Reserve families as intended because these families lack the information about how to access these benefits. NMFA is grateful to Congress for its initial efforts to enhance the continuity of care for National Guard and Reserve members and their families by creating TRICARE Reserve Select. We continue to monitor this new program closely, watching both premium increases and beneficiaries access to providers. Because TRICARE Reserve Select is basically the TRICARE Standard benefit, access to providers within certain standards is not guaranteed. Because Guard and Reserve members are paying premiums for this program, however, we believe they will expect DoD to ensure providers are available and willing to treat beneficiaries in this program.

TRICARE Reserve Select is not the complete answer to Guard and Reserve families' health care needs. Information and support are improving for Guard and Reserve families who must transition into TRICARE; however, NMFA believes that going into TRICARE may not be the best option for all of these families. Guard and Reserve service members who have been mobilized should have the same option as their peers who work for the Department of Defense: DoD should pay their civilian health care premiums. The ability to stay with their civilian health care plan is especially important when a Guard or Reserve family member has a special need. We appreciate the provision in the FY 2008 NDAA that provided for a stipend for that purpose but the need is just as great for a family member with a chronic condition, or in the midst of treatment. NMFA also believes that paying a subsidy to a mobilized Guard or Reserve member for their family's coverage under their employer-sponsored insurance plan may also prove to be more cost-effective for

the government than subsidizing 72 percent of the costs of TRICARE Reserve Select for Guard or Reserve members not on active duty.

Emphasis must continue on promoting continuity of care for families of Guard and Reserve service members. NMFA's recommendation to enhance continuity of care for this population is to allow members of the Selected Reserve to choose between buying into TRICARE when not on active duty or receive a DoD subsidy allowing their families to remain with their employer-sponsored care when mobilized.

Families and Deployment

Families are impacted differently in all phases of deployment. They may be preparing for a first deployment. They may be in the first few months, adjusting to life without that all important partner, parent, son or daughter. They may be feeling the strain as month 6, 7 or 8 go by, as the tension of loved one in danger or the strain of keeping things "normal" begin to show. They may be experiencing the anticipation of reunion. But even with reunion there are worries, as we heard from one young man: *"Will my dad still like me?"* And, with return and reunion, families struggle to re-acquaint themselves with the member who has returned. Will she be the same as before? Did he suffer a TBI? How do we cope with his isolation or changes in personality?

Each deployment is different. The needs of each family are different as well. We hear from families that they are weary. A recent article in *USA Today* highlighted the burn-out of family readiness group leaders and commander's spouses, family members who support other families in the unit, dealing with the problems at the other end of the phone, expressed in the commissary line or shared at the child care center. We appreciate the emphasis by the Services on the importance of training these important volunteers. Having attended several regional training sessions, we have seen first hand the tools and training that these volunteers are equipped with. It does take a measure of individual insight to know when a family member needs a good listener and when they need more help than the volunteer is able to provide. Care for these caregivers is essential. It is difficult to mandate or legislate relief for volunteers. NMFA hopes that professional staff members and commanders at the unit and installation levels are aware of the stress that these volunteers live with and look for ways to relieve them of some of these responsibilities. We applaud the Army's infusion of family readiness support assistants (FRSA) to units down to the battalion level to help relieve some of the overworked volunteers. But we want to make sure that there is a distinction between administrative help and the counseling that many of our deployed families need. We want to make sure that this additional staff support is available across all Services and Components.

NMFA is pleased that DoD is reaching out to service members and families to gauge their needs. Defense Secretary Robert M. Gates' recent visit with soldiers and families at Ft. Campbell revealed many of the same concerns that NMFA hears from families. The impact of extended deployments was a significant concern of

families there. Secretary Gates stated "There is no question that 15-month deployments are a real strain, not only on the soldiers, but (also) on the families they leave behind." NMFA has said before, missing one birthday, one Christmas, one anniversary can be viewed as just part of the deployment. When two Christmases go by, or dad or mom has not been there for two birthdays in a row, the sacrifice can seem too great.

The Services are also reaching out to the families of individual augmentees, those "onesies and twosies" who often are far from the unit headquarters of the deploying unit or may get lost in the shuffle. The Navy has developed a number of new initiatives in support of individual augmentee (IA) sailors and their families. One such initiative is the new Fleet and Family Support Centers (FFSC) and Expeditionary Combat Readiness Center (ECRC) individual augmentee newsletter. This newsletter will be published monthly to inform augmentees and their families of programs and services available to them. The ECRC Care Line can be reached via phone at 877-364-4302, email at *ecrc.fs.fct@navy.mil*, or online at *http://www.ecrc.navy.mil/*.

Fleet and Family Support Centers (FFSC) have also created programs and services to keep IAs and their families informed. Among them are Virtual Individual Augmentee Discussion Groups hosted by Fleet and Family Support Centers worldwide. Discussion Groups will be available to help IA family members stay connected to other Navy families who are experiencing an IA deployment. Participation is via Internet and telephone.

Guard and Reserve

NMFA would like to thank Congress for authorizing many provisions within the FY 2008 NDAA that affect our Guard and Reserve families. We now ask Congress to fund these important provisions to help improve the quality of life for our Guard and Reserve families, who have sacrificed greatly in support of our Nation. In the recently released final report from the Commission on the National Guard and Reserves the commissioners stated *"Reserve Component family members face special challenges because they are often at a considerable distance from military facilities and lack the on-base infrastructure and assistance available to active duty families."* The report also stated *"Military family members today believe that all families in the community should enjoy a comparable level of "purple" support services, regardless of service or component – with adequate funding and staffing resources."* The report recognized the importance of Military OneSource to Reserve Component families. While citing a robust volunteer network as crucial, the report also stated that family readiness suffers when there are too few paid staff professionals supporting the volunteers. These findings resonate with support recommendations made by NMFA through the years. NMFA thanks the Commission for recognizing the importance of family support to the National Guard and Reserve.

The Yellow Ribbon Reintegration program was extremely successful in the state of Minnesota. Best practices always deserve to be shared. NMFA thanks this Subcommittee for including provisions to implement the Yellow Ribbon program in

all states and territories. This program should provide National Guard and Reserve members and their families with sufficient information, services, referral, and proactive outreach opportunities throughout the entire deployment cycle. We are well aware that members of the Reserve components face a host of unique challenges upon returning to their families, hometowns, and civilian jobs. NMFA is concerned, however, that a lack of funding may diminish the impact of this critical program. We urge Congress to fully fund this initiative supporting the men and women of our Reserve components and their families who have answered the call to protect our nation. We must not forget that reintegration programs must address the needs of the entire family, including children.

NMFA supports the institution of the Yellow Ribbon Reintegration program in all states and territories but asks that the program be fully funded to be most effective.

Military Family Life Consultants

As this DoD program has matured, NMFA hears good things about the Military Family Life Consultant (MFLC) program. More service members and families are familiar with the program and expect to see the counselors in their communities. We heard from one Marine family who said:

> *As a Marine wife and a medical provider at Quantico I can tell you the family life consultants have been a God send. Quick access for Marines to get counseling for combat operational stress, Stress management and spouse education post deployment. They are so accommodating to the Marines schedule and they work closely with deployment health issues and mental health clinic.*

Installations and commanders are also recognizing them as resource multipliers. Said one family support professional:

> *The MFLC program works hard to make services available to families. New MFLCs are announced in the post paper as she or he is assigned. MFLCs attend post activities to meet families, pass out phone numbers and make themselves available to families. I have personally met them on playgrounds, at workshops offered through MCEC, and through MOPs meeting groups.*

MFLCs are also an integral part of NMFA's *Operation Purple*® Camps. Through the support of DoD every OP camp, with the exception of the western region, has assigned an MFLC mental health consultant (NMFA wishes to thank the TriWest Healthcare Alliance which supports OP camps in the West through a similar program).

Military Family Life Consultants fill an important need in the overall support of military families. The program's success warrants its continued authorization and funding.

Wounded Families

Wounded Service Members Have Wounded Families

Post-deployment transitions can be especially problematic for injured service members and their families. NMFA asserts that behind every wounded service member is a wounded family. Spouses, children, parents, and siblings of service members injured defending our country experience many uncertainties. Fear of the unknown and what lies ahead in future weeks, months, and even years, weighs heavily on their minds. Other concerns include the injured service member's return and reunion with their family, financial stresses, and navigating the transition process to the VA.

The system should alleviate, not heighten these concerns, and provide for coordination of care that starts when the family is notified the service member has been injured and ends with the DoD and VA working together to create a seamless transition as the injured service member transfers from active duty status to veteran status. NMFA congratulates Congress on the FY 2008 NDAA Wounded Warrior Act, in which many issues affecting this population were addressed. We also appreciate the work DoD and the VA have done in establishing the Senior Oversight Committee (SOC) to address the many issues highlighted by the three Presidential Commissions. However, more still needs to done. NMFA recently heard the SOC is now meeting monthly rather than weekly. There is certainly more work to be done. We urge Congress to establish an oversight committee to monitor DoD and VA's partnership initiatives, especially with the upcoming Administration turnover and the disbandment of the SOC early this year.

It is NMFA's belief the government, especially the VA, must take a more inclusive view of military families. Those who have the responsibility to care for the wounded service member must also consider the needs of the spouse, children, and the parents of single service members and their siblings. According to the Traumatic Brain Injury Task Force, family members are very involved with taking care of their loved one. As their expectations for a positive outcome ebbs and flows throughout the rehabilitation and recovery phases, many experience stress and frustration and become emotional drained. NMFA recommends care for the families of the wounded/ill/injured should include support, assistance, and counseling programs. NMFA recently held a focus group composed of wounded service members and their families to learn more about issues affecting them. They said following the injury, families find themselves having to redefine their roles. They must learn how to parent with an injury and become a spouse/lover with an injury. Each member needs to understand the unique aspects the injury brings to the family unit. Reintegration programs become a key ingredient in the family's success. NMFA believes we need to focus on treating the whole family with programs offering skill based training for coping, intervention, resiliency, and overcoming adversities. Parents need opportunities to get together with other parents who are in similar situations and share their experiences and successful coping methods. DoD and VA need to provide family and individual counseling to address these unique issues. A retreat for the entire family and for the couple provides an opportunity to reconnect and bond as a family again.

Caregivers of the severely wounded, ill, and injured services members, such as those with severe Traumatic Brain Injury, must be trained through a standardized program, certified, and compensated. Caregivers need to be recognized for the important role they play in the care of their loved one. Without them, their quality of life would be significantly compromised. Additional financial burdens would be placed on the DoD and the VA health care systems. NMFA has heard from caregivers the difficult decisions they have to make over their loved one's bedside following the injury. Many don't know how to proceed because they don't know what their loved one's wishes were. We support the recently released Traumatic Brain Injury Task Force recommendation for DoD to require each deploying service member to have a Medical Power of Attorney and a Living Will. The FY 2008 NDAA authorized an active-duty TRICARE benefit for severely wounded/ill/injured service members, but not for their family members. This needs to be rectified to include the service member's spouse and children. NMFA recommends an active duty benefit like the surviving spouse benefit for 3 years for the family members of those who are medically retired.

The impact of the wounded/ill/injured on children is often overlooked and underestimated. Military children experience a metaphorical death of the parent they once knew and must make many adjustments as their parent recovers. Many families relocate to be near the MTF or the VA Polytrauma Center in order to make rehabilitation process more successful. As the spouse focuses on the rehabilitation and recovery, older children take on new roles. They may become the caregivers for other siblings, as well as for the wounded parent. Many spouses send their children to stay with neighbors or extended family members, as they tend to their wounded/ill/injured spouse. Children get shuffled from place to place until they can be reunited with their parents. Once reunited, they must adapt to the parent's new injury and living with the "new normal." Brooke Army Medical Center has recognized a need to support these families and has allowed for the system to expand in terms of guesthouses co-located within the hospital grounds. The on-base school system is also sensitive to issues surrounding these children. Unfortunately, not all families enjoy this type of support. NMFA is concerned the impact of the injury is having on our most vulnerable population, military children. NMFA believes we need research to better understand this phenomenon and identify effective support programs for these children.

NMFA strongly suggests research on families, especially children of wounded/ill/injured service members; standardized training, certification, and compensation for caregivers; individual and family counseling and support programs; and a reintegration program that provides an environment rich for families to reconnect. An oversight committee to monitor DoD's and VA's continued progress toward seamless transition.

Mental Health

As the war continues, families' need for a full spectrum of mental health services—from preventative care to stress reduction techniques, to individual or family counseling, to medical mental health services—continues to grow. The

military offers a variety of mental health services, both preventative and treatment, across many helping agencies and programs. However, as service members and families experience numerous lengthy and dangerous deployments, NMFA believes the need for confidential, preventative mental health services will continue to rise. It will also remain high for some time even after military operations scale down. Successful return and reunion programs will require attention over the long term, as well as a strong partnership at all levels between the various mental health arms of the DoD and VA.

The Army's Mental Health Advisory Team (MHAT) IV report links the need to address family issues as a means for reducing stress on deployed service members. The team found the top non-combat stressors were deployment length and family separation. They noted that Soldiers serving a repeat deployment reported higher acute stress than those on their first deployment and the level of combat was the key ingredient for their mental health status upon return. They found there was no difference in Services. Multiple deployers reported higher acute stress than first-time deployers, which is a difference from the MHAT III that found those who redeploy were better prepared due to improved pre-deployment training. They also acknowledged deployment length was causing higher rates of martial problems. Given all the focus on mental health prevention, the study found current suicide prevention training was not designed for a combat/deployed environment. Recent reports on the increased number of suicides in the Army also focused on tour lengths and relationship problems.

DoD's Task Force on Mental Health stated timely access to the proper mental health provider remains one of the greatest barriers to quality mental health services for service members and their families. NMFA and the families it serves have noted with relief more providers are deployed to theaters of combat operations to support service members. The work of these mental health professionals with units and individuals close to the combat action they experience have proved very helpful and will reduce the stress that impedes service members' performance of their mission and their successful reintegration with their families.

While families are pleased more mental health providers are available in theater to assist their service members, they are less happy with the resulting limited access to providers at home. DoD's Task Force on Mental Health found families are reporting an increase difficulty in obtaining appointments with social workers, psychologists, and psychiatrists at their military hospitals and clinics. The military fuels the shortage by deploying some of its child and adolescent psychology providers to the combat zones. Providers remaining at home stations report they are frequently overwhelmed treating active duty members who either have returned from deployment or are preparing to deploy to fit family members into their schedules, which could lead to compassion fatigue. Creating burnout and exacerbating the problem.

In the seventh year of the Global War on Terror, care for the caregivers must become a priority. NMFA hears from the senior officer and enlisted spouses who are so often called upon to be the strength for others. We hear from the health care

providers, educators, rear detachment staff, chaplains, and counselors who are working long hours to assist service members and their families. Unless these caregivers are also afforded respite and care, given emotional support through their command, and effective family programs, they will be of little use to those who need their services most.

Thousands of service member parents have been away from their families and placed into harm's way for long periods of time. Military children, the treasure of many military families, have shouldered the burden of sacrifice with great pride and resiliency. Many programs, both governmental and private, have been created with the goal of providing support and coping skills to our military children during this great time of need. Unfortunately, many support programs are based on vague and out of date information.

Given this concern, NMFA has partnered with RAND Corporation to research the impact of war on military children with a report due in April 2008. In addition, NMFA held its first ever Youth Initiatives Summit for Military Children, "Military Children in a Time of War" last October. All panelists agreed the current military environment is having an effect on military children. Multiple deployments are creating layers of stressors, which families are experience at different stages. Teens especially carry a burden of care they are reluctant to share with the non-deployed parent in order to not "rock the boat." They are often encumbered by the feeling of trying to keep the family going, alongside anger over changes in their schedules, increase responsibility, and fear for their deployed parent. Children of the National Guard and Reserve face unique challenges as there are no military installations for them to utilize. They find themselves "suddenly military" without resources to support them. School systems are generally unaware of this change in focus within these family units and are ill prepared to lookout for potential problems caused by these deployments. Also vulnerable are children who have disabilities that are further complicated by deployment. Their families find stress can be overwhelming, but are afraid of reaching out for assistance for fear of retribution on the service member.

NMFA recommends research to:

- Gain a better understanding of the impact of war, especially multiple and extended deployments;
- Identify and fund effective programs to address this issue;
- Educate those who are at the touch point of our military children on how to provide support, such as clergy, child care providers, and teachers; and
- Encourage DoD to reach out and partner with those private and nongovernmental organizations who are experts in their field on children and adolescents to identify and incorporate best practices in the prevention and treatment of mental health issues affecting our military children.

National provider shortages in this field, especially in child and adolescent psychology, are exacerbated in many cases by low TRICARE reimbursement rates,

TRICARE rules, or military-unique geographical challenges: large populations in rural or traditionally underserved areas. Many mental health providers are willing to see military beneficiaries in a voluntary status. However, these providers often tell us they will not participate in TRICARE because of what they believe are time-consuming requirements and low reimbursement rates. More must be done to persuade these providers to participate in TRICARE and become a resource for the entire system, even if that means DoD must raise reimbursement rates.

Many mental health experts state that some post-deployment problems may not surface for several months or years after the service member's return. We encourage Congress to request DoD to include families in its Psychological Health Support survey; perform a pre and post-deployment mental health screening on family members (similar to the PDHA and PDHRA currently being done for service members as they deploy into theater); and sponsor a longitudinal study, similar to DoD's Millennium Cohort Study, in order to get a better understanding of the long-term effects of war on our military families.

NMFA is especially concerned not as many services are available to the families of returning National Guard and Reserve members and service members who leave the military following the end of their enlistment. They are eligible for TRICARE Reserve Select, but as we know Guard and Reserve are often located in rural areas where there may be no mental health providers available. We ask you to address the distance issues families face in linking with military mental health resources and obtaining appropriate care. Isolated Guard and Reserve families do not have the benefit of the safety net of services provided by MTFs and installation family support programs. Families want to be able to access care with a provider who understands or is sympathetic to the issues they face. NMFA recommends the use of alternative treatment methods, such as telemental health; increasing mental health reimbursement rates for rural areas; modifying licensing requirements in order to remove geographical practice barriers that prevent mental health providers from participating in telemental health services; and educating civilian network mental health providers about our military culture.

Mental health professionals must have a greater understanding of the effects of mild Traumatic Brain Injury (TBI) in order to help accurately diagnose and treat the service member's condition. They must be able to deal with polytrauma—Post-Traumatic Stress Disorder (PTSD) in combination with multiple physical injuries. NMFA appreciates Congress establishing a Center of Excellence for TBI and PTSD. For a long time, the Defense and Veterans Brain Injury Center (DVBIC) has been the lead agent on TBI. Now with the new Center, it is very important DVBIC become more integrated and partner with other Services in researching TBI. Also, we need more education to civilian health care providers on how to identify signs and symptoms of mild TBI and PTSD.

DoD must balance the demand for mental health personnel in theater and at home to help service members and families deal with unique emotional challenges and stresses related to the nature and duration of continued deployments. We ask you to continue to put pressure on DoD to step up

the recruitment and training of uniformed mental health providers and the hiring of civilian mental providers to assist service members in combat theaters AND at home stations to care for the families of the deployed and service members who have either returned from deployment or are preparing to deploy.

DoD should increase reimbursement rates to attract more providers in areas were there is the greatest need. TRICARE contractors should be tasked with stepping up their efforts to attract mental health providers into the TRICARE networks and to identify and ease the barriers providers cite when asked to participate in TRICARE.

Families in Transition

Survivors

NMFA applauds the enhancement of medical benefits included in the FY2006 NDAA making surviving children eligible for full medical benefits to age 21 (or 23 if they are enrolled in college) bringing them in line with the active duty benefit for dependent children. To complete the benefit package, we ask Congress to allow surviving children to remain in the TRICARE Dental Program until they age out of TRICARE and, in cases where the surviving family had employer-sponsored dental insurance, treat them as if they had been enrolled in the TRICARE Dental Program at the time of the service member's death.

Because the VA has as part of its charge the "care for the widow and the orphan," NMFA was concerned about recent reports that many Vet Centers did not have the qualified counseling services they needed to provide promised counseling to survivors, especially to children. DoD and the VA must work together to ensure surviving spouses and their children can receive the mental health services they need. New legislative language governing the TRICARE behavioral health benefit may also be needed to allow TRICARE coverage of bereavement or grief counseling. While some widows and surviving children suffer from depression or some other medical condition for a time after their loss, many others simply need counseling to help in managing their grief and helping them to focus on the future. Many have been frustrated when they have asked their TRICARE contractor or provider for "grief counseling" only to be told TRICARE does not cover "grief counseling." Available counselors at military hospitals can sometimes provide this service and certain providers have found a way within the reimbursement rules to provide needed care, but many families who cannot access military hospitals are often left without care because they do not know what to ask for or their provider does not know how to help them obtain covered services. Targeted grief counseling when the survivor first identifies the need for help could prevent more serious issues from developing later.

NMFA recommends that surviving children be allowed to remain in the TRICARE Dental Program until they age out of TRICARE eligibility. We also recommend that grief counseling be more readily available to survivors.

NMFA appreciates the work being done by DoD and the Services to provide training to casualty assistance officers and to make sure survivors are receiving accurate information in a timely manner. The survivor notebook provided by DoD and the services, *The Days Ahead: Essential Papers for Families of Fallen Servicemembers*, has received praise from survivors and families and has enhanced the information being provided by the Services. The Army Long Term Family Case Management Office - the one-stop resolution and assistance for benefits, outreach, advocacy, and support – for their improvements to the case management system and continued communication with families to further refine their services and response time.

NMFA still believes the benefit change that will provide the most significant long-term advantage to the financial security of all surviving families would be to end the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). Ending this offset would correct an inequity that has existed for many years. Each payment serves a different purpose. The DIC is a special indemnity (compensation or insurance) payment paid by the VA to the survivor when the service member's service causes his or her death. It is a flat rate payment of $1,091 for the surviving spouse and $271 for each surviving child. The SPB annuity, paid by DoD, reflects the longevity of the service of the military member. It is ordinarily calculated at 55 percent of retired pay. Military retirees who elect SBP pay a portion of their retired pay to ensure that their family has a guaranteed income should the retiree die. If that retiree dies due to a service connected disability, their survivor becomes eligible for DIC.

Surviving active duty spouses can make several choices, dependent upon their circumstances and the ages of their children. Because SBP is offset by the DIC payment, the spouse may choose to waive this benefit and select the "child only" option. In this scenario, the spouse would receive the DIC payment and the children would receive the full SBP amount until each child turns 18 (23 if in college), as well as the individual child DIC until each child turns 18 (23 if in college). Once the children have left the house, this choice currently leaves the spouse with an annual income of $13,092, a significant drop in income from what the family had been earning while the service member was alive and on active duty. The percentage of loss is even greater for survivors whose service members served longer. Those who give their lives for their country deserve more fair compensation for their surviving spouses.

NMFA appreciates the establishment of a special survivor indemnity allowance as a first step in the process to eliminate the DIC offset to SBP. As written, the FY 2008 NDAA only provides this allowance for survivors of military retirees who paid premiums for the Survivor Benefit Plan and survivors of gray area reservists who have signed up for SBP but had not yet begun paying premiums. The House version of the FY 2008 NDAA extended this allowance to all surviving spouses, including those survivors of active duty deaths. NMFA believes that eligibility for this special allowance should be extended to all survivors.

NMFA believes several other adjustments could be made to the Survivor Benefit Plan. These include allowing payment of the SBP benefits into a Special Needs Trust in cases of disabled children and allowing SBP eligibility to switch to children if a surviving spouse is convicted of complicity in the member's death.

NMFA has always emphasized that service members and families understand there is a package of survivor benefits. While NMFA understands the impetus for allowing a service member to designate payment of the death gratuity in 10 percent increments to persons other than their primary next of kin, it begs the question "what is the purpose of the death gratuity?" The death gratuity was originally intended to act as a financial bridge, to help with living expenses until other benefits such as the Dependency and Indemnity Compensation (DIC) payment, the Survivor Benefit annuity, and Social Security benefits begin to be paid. The death gratuity is not an insurance payment, even though its $100,000 payment is bigger than many civilian life insurance plans. NMFA is concerned that families may be left without that financial bridge if the service member designates someone other than their primary next of kin to receive the entire death gratuity. We do appreciate the provision language that requires notification of the spouse if the service member does change designees. We will monitor with interest the effects of this change on surviving families.

NMFA recommends that eligibility for the special survivor indemnity allowance be expanded to include all SBP-DIC survivors. We also ask the DIC offset to SPB be eliminated to recognize the length of commitment and service of the career service member and spouse

Families on the Move

NMFA is gratified that DoD has begun to implement the "Families First" program for Permanent Change of Station (PCS) moves with the launching of the full replacement value (FRV) component late last year. This program is long overdue. It will provide much needed protections to military families entrusting their most precious possessions to movers. We ask Congress to monitor additional issues related to Families First to ensure all components are brought online in a timely manner. NMFA will monitor the implementation of the provision included in the FY 2008 NDAA that requires the service member to comply with reasonable restrictions or conditions prescribed in order to receive payment for damaged or lost items. NMFA is concerned that this language, coupled with the small business language in the Conference Report, could be used to diminish or destroy this important benefit families have waited so long to receive. NMFA asks Congress to ensure full replacement value coverage is not diminished or lost now that families finally have the benefit.

We also ask Congress to recognize that military spouses accumulate professional goods over the course of a military career. Frequent moves make it difficult to establish and maintain professional materials used for a job or volunteer activities that will ultimately count against the family's weight allowance when the time to move arrives. Military members are permitted a professional goods weight allowance to compensate for the computers, books and equipment that must

accompany them from duty station to duty station. We request that spouses be provided this professional courtesy as well.

NMFA was disappointed this Subcommittee's recommendation for shipment of a second vehicle to non-foreign overseas duty stations was dropped in conference. A PCS move to an overseas location can be especially stressful. Military families are faced with the prospect of being thousands of miles from extended family and living in a foreign culture. At many overseas locations, there are insufficient numbers of government quarters resulting in the requirement to live on the local economy away from the installation. Family members in these situations can begin to feel extremely isolated; for some the only connection to anything familiar is the local military installation. Unfortunately, current law permits the shipment of only one vehicle to an overseas location, including Alaska and Hawaii. Since most families today have two vehicles, they sell one of the vehicles.

Upon arriving at the new duty station, the service member requires transportation to and from the place of duty leaving the military spouse and family members at home without transportation. This lack of transportation limits the ability of spouses to secure employment and the ability of children to participate in extra curricular activities. While the purchase of a second vehicle alleviates these issues, it also results in significant expense while the family is already absorbing other costs associated with a move. Simply permitting the shipment of a second vehicle at government expense could alleviate this expense and acknowledge the needs of today's military family.

NMFA requests that Congress ease the burden of military PCS moves on military families by authorizing a professional goods weight allowance for military spouses and by authorizing the shipment of a second vehicle for families assigned to an overseas location on accompanied tours.

Pay and Compensation

NMFA thanks Members of this Subcommittee for their recognition that service members and their families deserve a comprehensive benefit package consistent with the extraordinary demands of military service. We ask you to continue to evaluate changing circumstances that may diminish the value of that package and threaten the retention of a quality force. We also ask you to recognize the interaction between the various elements of the compensation package and how they affect families' eligibility for certain state and federal programs. Despite regular annual pay increases, in addition to targeted raises, over the past several years, military pay for some service members still lags behind civilian pay. NMFA was disappointed to see the additional one half percent above ECI provision was stripped from the FY 2008 NDAA during conference. We encourage Congress to consider extending the pay raise for 2009 by an additional one-half percent over the ECI.

Military Allowances and Safety Net Programs

In Congressional testimony since 2003, NMFA has raised a long-standing frustration for military families: the confusion involved in how and when military allowances are counted to determine eligibility for military and civilian programs. NMFA again reinforces the need for Members of Congress, as well as state officials, to assist in bringing a sense of order in how military allowances are counted for federal and state programs. We ask you to help ensure equitable access to these safety net services and protect families against disruptions in benefit eligibility caused by the receipt of deployment pays. No family should have to face the prospect of losing valuable benefits for a disabled child because a service member has received deployment orders. Families living off the installation are often there only because of insufficient on-base housing, yet endure higher expenses than families living on an installation. Ideally, therefore, NMFA believes tax free allowances such as BAH should not be counted under any safety net program, which is how they are now treated in determining eligibility for the Earned Income Tax Credit (EITC). NMFA understands this could increase the number of military families eligible for some of these programs, but believe this increase is justified given the need for equitable treatment of all service members, as well as the loss of spouse income due to military relocations and high operations tempo.

Inconsistent treatment of military allowances in determining eligibility for safety net programs creates confusion and can exact a financial penalty on military families. A start in correcting this inequity would be to adopt a common standard in how BAH should be counted in eligibility formulas and to ensure that the receipt of deployment-related allowances do not cause military family members to become ineligible for support services for which they would otherwise be eligible.

Flexible Spending Accounts

Flexible Spending Accounts have done a great deal to help federal employees and corporate civilian employees defray out-of-pocket costs for both their health care and dependent care needs. NMFA believes this important program should be extended to military service members, and urges Congress to work with the Department of Defense to accomplish this much needed change. It is imperative that we include active duty and Selected Reserve members in this cost saving benefit.

NMFA asks that a flexible spending account benefit be extended to military families.

Commissaries and Exchanges

The commissary is a key element of the total compensation package for service members and retirees and is valued by them, their families, and survivors. NMFA surveys indicate that military families consider the commissary one of their most important benefits. In addition to providing average savings of more than 30 percent over local supermarkets, commissaries provide an important tie to the military community. Commissary shoppers get more than groceries at the commissary. They gain an opportunity to connect with other military family

members and to get information on installation programs and activities through bulletin boards and installation publications. Finally, commissary shoppers receive nutrition information and education through commissary promotions and educational campaigns contributing to the overall health of the entire beneficiary population.

NMFA is concerned that there will not be enough commissaries to deal with the areas experiencing substantial growth. The surcharge was never intended to pay for DoD and Service transformation. Additional funding is needed to ensure commissaries are built in areas that are gaining personnel as a result of these programs.

The military exchange system serves as a community hub, in addition to providing valuable cost savings to members of the military community. Equally important is the fact that exchange system profits are reinvested in important Morale Welfare and Recreation (MWR) programs, resulting in quality of life improvements for the entire community. We believe that every effort must be made to ensure that this important benefit and the MWR revenue is preserved, especially as facilities are down-sized or closed overseas. Exchanges must also continue to be responsive to the needs of deployed service members in combat zones.

Military Housing

In the past few years, privatized housing has changed the lifestyle for the military families who live there. New or renovated housing with spacious floor plans, new appliances and amenities you would find the new suburban subdivisions have gone a long way to improving the quality of life for military families. However, there are still a few things that need to be addressed.

With rebasing, as more installations become joint, there is a need for a single unified definition of adequate housing. Currently some service members are receiving refunds of part of their BAH while members of other Services living in identical units are not. The only difference is the individual Service definition of "adequate housing". This situation creates a disparity in benefit between service members of equal rank. In addition, there are concerns that DoD is not adequately monitoring construction contracts. Air Force privatization contracts have fallen hopelessly behind schedule in some areas leaving sizeable wait lists for housing that should already be complete and occupied. Better oversight is absolutely necessary. NMFA appreciates the provision in the FY 2008 NDAA calling for a report on this issue.

Commanders must be held accountable for privatized communities. These housing areas remain the responsibility of the installation Commander even when managed by a private company. Military members should not be on wait lists while civilians occupy housing. While privatization contracts permit other occupants for vacant units, Commanders must ensure that privatized housing is first and foremost meeting the needs of the active duty population of the installation. In some cases this will require modification or renegotiation of contracts. On an

aesthetic and health care note, NMFA asks that a minimum number of non-smoking quarters be designated at each installation. Non-smokers, especially in multi-family dwellings, are being forced to live with second hand smoke in far too many cases. NMFA has received complaints from families who are suffering health consequences of living with a neighbor's smoking habit. This is unacceptable.

NMFA feels there needs to be a review of BAH standards. While families who live on the installation are better off, families living off the installation are forced to absorb more out-of-pocket expenses in order to live in a home that will meet their needs. In the calculation for BAH there is no regard for family size. In addition, the standards are based on an outdated concept of what would constitute a reasonable dwelling. For example, in order to receive BAH for a single family dwelling a service member must be an E9. However, if that same service member lived in military housing, he or she would likely have a single family home at the rank of E6 or E7. BAH standards should mirror the type of dwelling a service member would occupy if government quarters were available.

Families and Community

Higher stress levels caused by open-ended and multiple deployments require a higher level of community support. Military families, especially those geographically dispersed, often look to support programs in their communities because of their proximity and familiarity.

A question is often asked about whether there is a sense of detachment between the civilian community and military service members and their families. A small part of the nation is being asked to assume duties and sacrifices while the rest of the nation goes about their business, oblivious to the contributions of the few. To recognize the sacrifices and the day-to-day needs of America's military family members, NMFA worked with the US Family Health Plan (USFHP), a TRICARE provider, to implement a public service campaign urging citizens to "support, befriend, remember and appreciate" military family members. The campaign consists of national print, radio, TV, online and in-cinema public service announcements. The messages are moving and emotional, designed to get people thinking about the families who contribute to the nation's well-being every day, during war as well as peace. For example, the Public Service Announcements (PSAs) suggest having coffee with a soldier's parents, hiring a military spouse and mentoring a military child. Thirty- and 15-second video PSAs were shown to approximately 3.4 million moviegoers in 205 theatres this past summer. The videos along with four radio PSAs, may be downloaded from *http://www.yearofthemilitaryfamily.org/*.

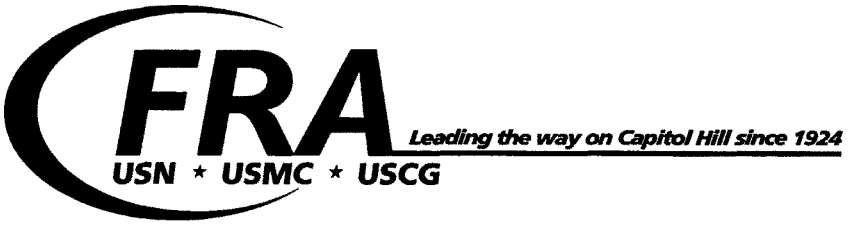
NMFA often learns of other community programs that are reaching out to military families. Some of these are initiatives funded by other federal agencies. Many of these programs are highlighted on the America Supports You website. In North Carolina, *Essential Life Skills for Military Families* is a 12-hour workshop series designed for National Guard and reserve component couples. The sessions offer to help military families deal with the unique challenges they experience as a citizen

soldier family. Held in their own communities, the classes are taught by local Cooperative Extension Family & Consumer Sciences Agents. Funding for this project was provided by the United States Department of Health and Human Services, Administration for Children and Families. The program addresses marriage and family relationships, parenting, balancing military and family needs, financial literacy, legal issues and building a support network in your own community.

NMFA is also partnering with the United Way's 2-1-1 program. This hotline program provides health and human service information to callers around the United States. The program is robust in some areas, like Texas and still in the development stage in others. NMFA is offering military family friendly information and resources through webinars and conferences to the 2-1-1 information and referral operators so that they can send military families who call the hotline to already existent military resources like Military OneSource or state Joint Family Assistance Centers.

Military families share a bond that is unequaled in the civilian world. They support each other through hardship, deployments, PCS moves, and sometimes, the loss of a loved one. The military community is close knit and must be so. It is imperative that our Nation ensure the necessary infrastructure and support components are in place to support families regardless of where they happen to be located geographically. More importantly, we ask you and other Members of Congress to ensure that the measures undertaken today in the interest of cutting costs and improving efficiency do not also destroy the sense of military community so critical to the successful navigation of a military lifestyle. Educating families on what support is being provided helps reduce the uncertainty for families.

Preparation and training are essential in reaching families and making sure they are aware of additional resources available to them. While NMFA appreciates the extraordinary support that was made available to address the special needs of the families during deployment extensions and last year's "Surge", our Nation must ensure this level of support is available to all families day in and day out. Military family support and quality of life facilities and programs require dedicated funding, not emergency funding. Military families are being asked to sustain their readiness. The least their country can do is make sure their support structure is consistently sustained as well. Strong families equal a strong force. Family readiness is integral to service member readiness. The cost of that readiness is an integral part of the cost of the war and a National responsibility. We ask Congress to shoulder that responsibility as service members and their families shoulder theirs.



Statement of
The Fleet Reserve Association
on
Military Personnel Policy, Benefits, and Compensation

Presented to:
House Armed Services Committee
Subcommittee on Military Personnel

By

Joseph L. Barnes
National Executive Director
Fleet Reserve Association

February 7, 2008

THE FRA

The Fleet Reserve Association (FRA) is the oldest and largest enlisted organization serving active duty, Reserves, retired and veterans of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Secretary of the Navy.

FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted Active Duty, Reserve, retired and veterans of the Sea Services. The Association also sponsors a National Americanism Essay program, awards over $90,000 in scholarships annually and provides disaster and/or relief to shipmates and others in distress.

The Association is also a founding member of The Military Coalition (TMC), a 35-member consortium of military and veterans organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles.

FRA celebrated 83 years of service in November 2007. For over eight decades, dedication to its members has resulted in legislation enhancing quality of life programs for Sea Services personnel, other members of the Uniformed Services plus their families and survivors, while protecting their rights and privileges. CHAMPUS, now TRICARE, was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (USSBP). More recently, FRA led the way in reforming the REDUX Retirement Plan, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. FRA also played a leading role in advocating recently enacted predatory lending protections for service members and their dependents.

FRA's motto is: "Loyalty, Protection, and Service."

CERTIFICATION OF NON-RECEIPT OF FEDERAL FUNDS

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.

SYNOPSIS

The Fleet Reserve Association (FRA) is an active participant and leading organization in the Military Coalition (TMC) and strongly supports the extensive recommendations addressed in the TMC testimony prepared for this hearing. The intent of this statement is to address other issues of particular importance to FRA's membership and the Sea Services enlisted communities.

INTRODUCTION

Madame Chairman, the Fleet Reserve Association salutes you, members of the Subcommittee, and your staff for the strong and unwavering support of programs essential to active duty, Reserve Component, and retired members of the uniformed services, their families, and survivors. The Subcommittee's work has greatly enhanced care and support for our wounded warriors, improved military pay, eliminated out-of-pocket housing expenses, improved health care, and enhanced other personnel, retirement and survivor programs. This support is critical to maintaining readiness and is invaluable to our uniformed services engaged throughout the world fighting the global War on Terror, sustaining other operational commitments and fulfilling commitments to those who've served in the past.

FRA's 2008 priorities include full funding for DoD and VA health care, annual active duty pay increases that are at least a half percent above the Employment Cost Index (ECI), to help close the pay gap between active duty and private sector pay, full concurrent receipt of military retired pay and VA disability compensation, and enhanced family readiness via improved communications and awareness initiatives related to benefits and quality of life programs.

Additional issues include the introduction and enactment of legislation to eliminate inequities in the Uniformed Service Former Spouses Protection Act (USFSPA), streamlining the voting process for overseas military personnel, additional reform of the Montgomery GI Bill (MGIB) to provide adequate funding to keep pace with rising college costs to improve benefits for Reservists and push for an open enrollment for those who did not enroll in the Veterans Education Assistance Program (VEAP) or the MGIB. In addition to the Navy and Marine Corps, FRA also proudly represents the U.S. Coast Guard and closely monitors benefits and quality of life programs to ensure parity for Coast Guard personnel.

Excluding supplemental appropriations, the United States spent less than four percent of its GDP on national defense in 2008. From 1961-1963, the military consumed 9.1 percent of GDP annually. The active duty military has been stretched to the limit since 9/11, and has expanded by only 30,000 personnel. FRA strongly supports funding to support the anticipated increased end strengths in FY 2009 and beyond since the current end strength is not adequate to meet the demands of fighting the War on Terror and sustaining other operational commitment throughout the world. "Measuring governmental costs against the economy as a whole is a good proxy for how much of the nation's wealth is being diverted to a particular enterprise."1

1 John Cranford CQ Weekly February 10, 2007; "Political Economy: High, and Low, Cost of War"

Over the past several years, the Pentagon has been constrained in its budget even as it has been confronted with rising personnel costs, aging weapon systems, worn out equipment, and dilapidated facilities.

For these reasons, FRA strongly supports H.J. Res. 26 sponsored by Representative Trent Franks, and S.J. Res. 67 sponsored by Senator Elizabeth Dole which would ensure that annual defense spending is maintained at a minimum of four percent of GDP.

This statement lists the concerns of our members, keeping in mind that the Association's primary goal is to endorse any positive safety programs, rewards, quality of life improvements that support members of the uniformed services, particularly those serving in hostile areas, and their families and survivors.

WOUNDED WARRIORS IMPROVEMENTS

FRA is especially grateful for the inclusion of the Wounded Warrior provisions as part of the FY 2008 National Defense Authorization Act. Key elements of the House and Senate-passed versions of the Act, plus elements of the Dole-Shalala Commission recommendations establish new requirements to provide the people, training and oversight mechanisms needed to restore confidence in the quality of care and service received by our wounded warriors and their families. Maintaining an effective delivery system between DoD and VA to ensure seamless transition and quality services for wounded personnel, particularly those suffering from Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injuries (TBI) is very important to our membership.

FRA recommends that this distinguished Subcommittee monitor the implementation of these wounded warrior programs to include periodic oversight hearings to ensure the creation and full implementation of a joint electronic health record that will help ensure a seamless transition from DoD to VA for wounded warriors, and establishment and operation of the Wounded Warriors Resource Center as a single point of contact for service members, their family members, and primary care givers.

Unfortunately, legislation has been enacted addressing many of these issues during the past 20 plus years, and it took a major news organization's coverage last year to help advance these important support programs for our Nation's heroes. Authorization is one thing – full implementation is another. Regarding this – our members continue to ask what are the government's priorities?

HEALTH CARE

The Task Force on the Future of Military Health Care recently issued its final report with recommendations that were no surprise to FRA's membership given the composition of panel which included no representation by senior enlisted leadership. In addition, reference to "fairness to the American taxpayer" elicited bitter reaction by some of our older members who served before the recent and significant pay and benefit enhancements were enacted and receive significantly less retired pay than those serving and retiring in the same pay grade with the same years of service

today. They clearly recall promises made to them about the benefit of health care for life in return for a career in the military with low pay and demanding duty assignments. Many believe they are entitled to free health care for life based on the government's past commitments and are angered by reference to taxpayer fairness given their sacrifices in service to our Nation. (The same "fairness" sentiment can be easily understood in conjunction with how our wounded warriors have been treated.)

FRA reiterates TMC's appreciation to this distinguished Subcommittee for refusing to allow the implementation of the Department of Defense's drastic health care fee increases during the past two years. As stated in FRA's testimony to the Task Force on March 7, 2007:

DoD, Congress and FRA all have reason to be concerned about the rising cost of military health care. But it is important to recognize that the problem is a national one, not military-specific. It's also important, in these times of focusing on benefit costs, to keep in perspective that military service is much different than work in the corporate world and the government's unique responsibility to provide health care and other benefits for a military force that serves and has served under extraordinarily arduous conditions to protect and preserve our freedoms and security.

Adequately funding health care benefits for all beneficiaries is part of the cost of defending our Nation.

HEALTH CARE SURVEY RESPONSES

FRA launched a web survey in March 2006, and obtained more than 800 responses. From these the Association learned that there is a strong opposition to the proposed fee increases within the senior enlisted and retiree communities.

- Over 90 percent of respondents opposed the Administration's TRICARE fee increases.
- More than 84 percent would participate in a mail-order prescription program if it meant they did not have to pay a co-payment.
- More than 75 percent said that health care benefits influenced their decision to remain in the military.
- More than 57 percent said that health care benefits influenced their decision to join the military.
- One active duty survey respondent reflects these sentiments: "I am third generation Navy, and after 30 years of service, I am extremely concerned about the erosion of medical, as well as other benefits. I have a very unique historical view of how much benefits that were believed to be everlasting for both active and retired service members have been decreased or terminated. The medical coverage was fundamental for my continued service after my initial enlistment. This once again is simply a break in the faith. This philosophy

needs to be suspended and the faith re-affirmed for past present and future military generations."

- A retiree stated: "My spouse and I have relied on the Navy and the Military Health Care System to provide us with all our medical needs. We expect health care to continue without monetary increase, throughout our remaining years. We both provided our country with a valuable service in the defense posture of this country. We stood ready at the call without complaint. We now expect the high quality of care that we were led to believe would be available at no cost throughout our remaining years if we used the Military Health Care System and facilities. *I do not expect to absorb increasing cost for health care, when my retired pay does not increase with the cost of health care increases."*

TROOP MORALE

The proposed health care fee increases are a morale issue within the senior enlisted active duty communities who view this as reducing the value of their future retiree benefits. They are aware of the government's failures to honor past commitments and sensitive to threats to their retiree benefits. Eroding benefits for career service can only undermine long-term retention/readiness.

Today's Sailors, Marines, and Coast Guardsmen are very much aware of Congress' actions toward those who preceded them in service. Strong support for the enactment of TRICARE for Life was based in part on the fact that inadequate retiree health care was affecting attitudes and career decisions among active duty troops. And today, despite the significant progress in restoring retiree benefits, arguing that funding for retiree health care and other promised benefits negatively impacts military readiness is fueling resentment and anger in retiree communities and raising concerns within the senior career enlisted force about their future benefits.

The 8% increase in TRICARE Reserve Select (TRS) premiums imposed within a short period after implementation of the program prompted similar reaction within Reserve communities and FRA appreciates attention to addressing the cost projection formula for adjusting annual fees to ensure that future adjustments are based on more realistic actual cost data for this benefit.

LEGISLATIVE PROPOSALS

FRA strongly supports "The Military Retiree Health Care Protection Act" (H.R. 579) sponsored by Representative Chet Edwards (D-TX) and Walter Jones (R-NC), and "The Military Health Care Protection Act" (S. 604) sponsored by Senators Frank Lautenberg (D-NJ) and Chuck Hagel (R-NB) that would limit annual TRICARE fee increases to the amount of the Consumer Price Index (CPI).

CONCURRENT RECEIPT

FRA continues its unwavering support for the full concurrent receipt of military retired pay and veterans' disability compensation for all disabled retirees. Provisions of the FY 2008 National Defense Authorization Act reflect progress toward this goal. FRA's membership appreciates the

support of this distinguished Subcommittee in addressing the elimination of the Concurrent Retirement and Disability Pay (CRDP) phase-in for retirees rated less than 100 percent IU (retroactive to 1 January 2005) which will be effective on 1 October 2008, and expanding the Combat Related Special Compensation (CRSC) for Chapter 61 retirees that took effect when the bill became law and will be retroactive to 1 January 2008. And as stated in the TMC statement, major inequities remain that require the Subcommittee's attention.

BAH Improvements

FRA's January 2007 online survey of enlisted active duty indicates that 68.8 percent believe BAH rates are inadequate, and housing allowances were rated second only to pay in order of importance of quality of life programs. The need to update the standards used to establish Basic Allowance for Housing (BAH) rates is clear since only married E-9s now qualify for BAH based on single family housing costs and the Association continues to advocate for legislation authorizing more realistic housing standards, particularly for career senior enlisted personnel.

MGIB Improvements

A priority concern for senior enlisted leaders is ensuring that many senior enlisted personnel who entered service during the Veterans Education Assistance Program (VEAP) era (1977-1985), have an opportunity to sign up for the Montgomery GI Bill (MGIB). Understanding the challenges of split jurisdiction over active and Reserve benefits, FRA urges authorization of an open enrollment period affording enlisted leaders the opportunity to sign up for MGIB benefits. FRA supports Rep. Tim Walberg's legislation, "The Montgomery GI Bill Enhancement Act", (H.R. 4130), which would allow retirees and active duty personnel who were on active duty before 1985 and did not participate in VEAP to sign-up for the more generous MGIB.

In 1976, Congress created the Veterans' Educational Assistance Program (VEAP) as a recruitment and retention tool for the post-Vietnam era. Congress greatly expanded education benefits in 1984 and allowed individuals with VEAP accounts to transfer their benefits to the new MGIB in 1996 (P.L. 104-275). Individuals who were on active duty before 1985 and did not participate in VEAP were not eligible to sign-up for MGIB, leaving a gap in available coverage for certain career military personnel. Congress has voted several times in the last decade to allow VEAP participants opportunities to transfer to MGIB. Yet, there has never been an opportunity for those who did not have VEAP accounts to sign up for the new program, excluding them from taking advantage of these improved educational benefits.

According to 2007 data, over 5,000 Marines that were then on active duty were affected by this inequity.

This authorization is important to other much needed education reform, including benchmarking benefits to the average cost of a four-year public college/university education; in-state tuition eligibility for service members and their families; integrating MGIB laws under Title 38; and restoring Reserve MGIB rates to the intended levels.

VOTING

Only 47.6 percent of overseas military voters who requested an absentee ballot actually had their votes counted in 2006 according to a recent report of the U.S. Election Assistance Commission (September, 2007). Despite efforts to remedy past problems, voting from overseas is a long and cumbersome process and paper ballots from military personnel are frequently contested because they arrive late and often without postage or a postmark date.

FRA is concerned about these statistics, since according to the *New York Times*, the Department of Defense has spent more than $30 million over the last six years to find an efficient way for service members living abroad to cast their votes.

The Uniformed and Overseas Citizens Voting Act (UOCVA) of 1986 and the Help America Vote Act (HAVA) of 2002 address voting rights of active duty military personnel and all citizens that are outside the country during an election. Despite these efforts serious challenges still exist that include interfacing and lack of uniformity with state and local election officials.

If electronic communications are secure enough for our Nation's most sensitive secrets and for transferring huge sums of money, then FRA asks why is it not possible to develop and implement a system for the military and Federal employees who are stationed overseas to vote by secure electronic means?

FRA believes legislation could streamline the current process by allowing service members to request and receive an absentee ballot electronically but continue to return the signed completed ballot by regular mail as is done now. The bill should also require states to identify one state official to administer absentee ballots from overseas military rather than county clerks and other local officials; limit participation only to military personnel and federal employees overseas; and shift federal responsibility away from DoD to another agency such as the US Election Assistance Commission.

In recent years, Congress has recognized the need for electronic voting for service members who are deployed overseas, and has mandated DoD (FVAP- Federal Voting Assistance Program) to administer a pilot program for internet voting since 2000. Unfortunately many states and local election jurisdictions refused to participate.

The Association seeks support for improved active duty voter participation in Federal elections and to expedite the military mail processing of overseas ballots.

PREDATORY LENDING PROTECTIONS

FRA has been in the forefront of ensuring active duty personnel and their dependents have adequate protections against predatory lenders who target military personnel and their families, and appreciates support from this distinguished Subcommittee and the full Committee to establish a 36 percent cap on pay day loans per provisions in the FY 2007 NDAA. This is an important readiness issue and FRA is monitoring implementation of these requirements and recently ex-

pressed concern to DoD about press reports indicating that predatory lenders are making an end run around recently implemented DoD regulations (DOD-2006-0S-0216).

The regulation implementing the law excludes credit cards, overdraft loans, and all forms of open-ended credit from the 36 percent rate cap. The Navy Times (31 Dec. 2007), however, indicates that some predatory lenders are charging as much as 584 percent annual percentage rate (APR) on these type of loans to service members.

The Association believes that the current regulation is too narrow and should include all loans to service members and their dependents except for mortgages and loans secured by collateral.

USFSPA

FRA continues to advocate for hearings and the introduction of legislation addressing the inequities of the Uniform Services Former Spouses Protection Act (USFSPA). The Association believes that USFSPA should be more balanced in its protection for both the service member and the former spouse and that Congress needs to review and amend so that the Federal government is required to protect its service members against State courts that ignore its provisions.

FRA has long supported several recommendations in the Department of Defense's September 2001 report, which assessed USFSPA inequities and offered recommendations for improvement. Last year, the Department sent a more extensive list of recommendations to staff of the House and Senate Armed Services Committees regarding amending the USFSPA that include the following FRA supported provision:

- Base former spouse award amount on member's grade/years of service at the time of divorce (and not retirement)
- Prohibit award of imputed income while still on active duty
- Permit designation of multiple SBP beneficiaries
- Permit SBP premiums to be withheld from former spouse's share of retired pay if directed by the court

Few provisions of the USFSPA protect the rights of the service member and none are enforceable by the Department of Justice or DoD. If a State court violates the right of the service member under the provisions of USFSPA, the Solicitor General will make no move to reverse the error. Why? Because the Act does not have the enforceable language required for Justice or the Defense Department to react. The only recourse is for the service member to appeal to the court, which in many cases gives that court jurisdiction over the member. Some State courts also award a percentage of veterans' compensation to ex-spouses, a clear violation of U. S. law; yet, nothing has been done to stop this transgression.

FRA believes Congress needs to take a hard look at the USFSPA with the intent to amend it so that the Federal government is required to protect its service members against State courts that ignore provisions of the Act.

RESERVE EARLY RETIREMENT

FRA is disappointed that the effective date of a key provision in the FY 2008 NDAA, the Reserve retirement age provision that is reduced by three months for each cumulative 90-days ordered to active duty is effective upon the enactment of the legislation and NOT retroactive to 7 October 2001 as addressed in the floor amendment to the Senate version of the bill. Consistent with TMC, FRA strongly endorses "The National Guardsmen and Reservists Parity for Patriots Act" (H.R. 4930), sponsored Rep. Joe Wilson (S.C.).

MANDATE TRAVEL COST RE-IMBURSEMENT

FRA appreciates the FY 2008 NDAA provision (Section 631) that permits travel reimbursement for weekend drills, not to exceed $300, if the commute is outside the normal commuting distance. The Association urges the Subcommittee to make this a mandatory provision. This is a priority issue with many enlisted Reservists who are forced to travel lengthy distances to participate in weekend drill without any reimbursement for travel costs. Providing travel reimbursement for drill weekends would assist with retention and recruitment for the Reserves – something particularly important is to increased reliance on these personnel in order to sustain our war and other operational commitments.

CONCLUSION

FRA is grateful for the opportunity to present these recommendations to this distinguished Subcommittee. The Association reiterates its profound gratitude for the extraordinary progress this Subcommittee has made in advancing a wide range of military personnel benefits and quality-of-life programs for all uniformed services personnel and their families and survivors. Thank you again for the opportunity to present the FRA' views on these critically important topics.

JOSEPH L. BARNES
NATIONAL EXECUTIVE DIRECTOR, FRA

Joseph L. (Joe) Barnes was selected to serve as the Fleet Reserve Association's (FRA's) National Executive Director in September 2002 during a pre-national convention meeting of the FRA's National Board of Directors (NBOD) in Kissimmee, Fla. He is FRA's senior lobbyist and chairman of the Association's National Committee on Legislative Service. He is also the chief assistant to the National President and the NBOD, and responsible for managing FRA's National Headquarters.

A retired Navy Master Chief, Barnes served as FRA's Director of Legislative Programs and advisor to FRA's National Committee on Legislative Service since 1994. During his tenure, the Association realized significant legislative gains, and was recognized with a certificate award for excellence in government relations from the American Society of Association Executives (ASAE).

In addition to his FRA duties, Barnes is a member of the Defense Commissary Agency's (DeCA's) Patron Council, and was elected Co-Chairman of the 35-organization Military Coalition (TMC) in November 2004. He also serves as Co-Chairman of TMC's Personnel, Compensation and Commissaries Committee and testifies frequently on behalf of FRA and TMC on Capitol Hill.

He received the United States Coast Guard's Meritorious Public Service Award for providing consistent and exceptional support of Coast Guard from 2000 to 2003 and was appointed an Honorary Member of the United States Coast Guard by Admiral James Loy, former Commandant of the Coast Guard, and then-Master Chief Petty Officer of the Coast Guard Vince Patton at FRA's 74th National Convention in September 2001. Barnes is also an ex-officio member of the U.S. Navy Memorial Foundation's Board of Directors.

Barnes joined FRA's National Headquarters team in 1993 as editor of On Watch, FRA's quarterly publication distributed to Navy, Marine Corps, and Coast Guard personnel. While on active duty, he was the public affairs director for the United States Navy Band in Washington, DC. His responsibilities included directing marketing and promotion efforts for extensive national concert tours, network radio and television appearances, and major special events in the Nation's capital. His awards include the Defense Meritorious Service and Navy Commendation Medals.

Barnes holds a bachelor's degree in education and a master's degree in public relations management from The American University, Washington, DC, and earned the Certified Association Executive (CAE) designation from ASAE in 2003. He's an accredited member of the International Association of Business Communicators (IABC), a member of ASAE, the U.S. Naval Institute, Navy League, and National Chief Petty Officer's Association.

He is a member of the FRA Branch 181 board of directors and has served in a variety of volunteer leadership positions in community and school organizations. He is married to the former

Patricia Flaherty of Wichita, Kansas and the Barnes' have three daughters, Christina, Allison, and Emily and reside in Fairfax, Virginia.

THE MILITARY COALITION
201 North Washington Street
Alexandria, Virginia 22314
(703) 838-8113

STATEMENT OF

THE MILITARY COALITION (TMC)

before the

SUBCOMMITTEE ON MILITARY PERSONNEL,
HOUSE ARMED SERVICES COMMITTEE

February 7, 2008

Presented by

Colonel Steven P. Strobridge, USAF (Retired)
Director, Government Relations, Military Officers Association of America (MOAA); and
Co-Chairman, The Military Coalition

Joseph L. Barnes
National Executive Director, Fleet Reserve Association; and
Co-Chairman, The Military Coalition

Kathleen B. Moakler
Director, Government Relations Department
National Military Family Association

MADAM CHAIRMAN AND DISTINGUISHED MEMBERS OF THE COMMITTEE. On behalf of The Military Coalition, a consortium of nationally prominent uniformed services and veterans' organizations, we are grateful to the committee for this opportunity to express our views concerning issues affecting the uniformed services community. This testimony provides the collective views of the following military and veterans' organizations, which represent approximately 5.5 million current and former members of the seven uniformed services, plus their families and survivors.

- Air Force Association
- Air Force Sergeants Association
- Air Force Women Officers Associated
- American Logistics Association
- AMVETS (American Veterans)
- Army Aviation Association of America
- Association of Military Surgeons of the United States
- Association of the United States Army
- Chief Warrant Officer and Warrant Officer Association, U.S. Coast Guard
- Commissioned Officers Association of the U.S. Public Health Service, Inc.
- Enlisted Association of the National Guard of the United States
- Fleet Reserve Association
- Gold Star Wives of America, Inc.
- Jewish War Veterans of the United States of America
- Marine Corps League
- Marine Corps Reserve Association
- Military Chaplains Association of the United States of America
- Military Officers Association of America
- Military Order of the Purple Heart
- National Association for Uniformed Services
- National Military Family Association
- National Order of Battlefield Commissions
- Naval Enlisted Reserve Association
- Naval Reserve Association
- Non Commissioned Officers Association
- Reserve Enlisted Association
- Reserve Officers Association*
- Society of Medical Consultants to the Armed Forces
- The Retired Enlisted Association
- United States Army Warrant Officers Association
- United States Coast Guard Chief Petty Officers Association
- Veterans of Foreign Wars of the United States
- Veterans' Widows International Network

*The Reserve Officers Association supports the non-health care portion of the testimony.

The Military Coalition, Inc., does not receive any grants or contracts from the federal government.

EXECUTIVE SUMMARY

Wounded Warrior Issues

Joint Transition Office – The Coalition is encouraged with the creation of a joint DoD-VA office to oversee development of a bi-directional electronic medical record. However, we strongly recommend that the Subcommittee upgrade the scope of responsibilities and span of authority for the new DoD-VA Interagency Program Office to include top-down planning and execution of all "seamless transition" functions, including the joint electronic health record; joint DoD/VA physical; implementation of best practices for TBI, PTSD, and special needs care; care access/coordination issues; and joint research.

The Coalition believes authorizing three years of their active-duty-level health care benefit for service-disabled members and their families after separation or retirement is essential to align stated "seamless transition" intentions with the realities faced by disabled members and families.

Disability Retirement Reform – The Coalition urges the Subcommittee to ensure any legislative changes to the military disability evaluation and retirement systems do not reduce compensation and benefit levels for disabled service members.

The Coalition does not support proposals to do away with the military disability retirement system and shift disability compensation responsibility to the VA.

The Coalition urges an expanded review of all administrative and disciplinary separations since Oct 7, 2001 for members with recent combat experience to assess whether the behavior that led to separation may have been due to service-caused exposure.

Active Force Issues

End Strength and Associated Funding – The Coalition strongly urges the Subcommittee to sustain projected increases in ground forces and provide additional recruiting, retention, and support resources as necessary to attain/sustain them.

The Coalition urges the Subcommittee to reconsider the consistency of projected reductions of Navy and Air Force forces with long-term readiness needs.

Compensation and Special Incentive Pay – The Coalition urges the Subcommittee to propose a military pay raise of at least 3.9% for FY2009 (one-half percentage point above private sector pay growth) and to continue such half-percent annual increases over the ECI until the current 3.4% pay comparability gap is eliminated.

The Coalition also urges the Subcommittee to continue periodic targeted pay raises as appropriate to recognize the growing education and technical qualifications of enlisted members and warrant officers and sustain each individual grade/longevity pay cell at the minimum 70th percentile standard.

Access to Quality Housing – The Military Coalition urges reform of military housing standards that inequitably depress BAH rates for mid-to-senior enlisted members by relegating their occupancy to inappropriately small quarters.

Family Readiness and Support – The Coalition urges the Subcommittee to support increased family support funding and expanded education and other programs to meet growing needs associated with increased ops tempo, extended deployments and the more complex insurance, retirement, and savings choices faced by over-extended military families.

Spouse Employment – The Coalition urges the Subcommittee to support H.R. 2682, a bill which would expand the Workforce Opportunity Tax Credit for employers who hire spouses of Regular and Reserve component service members.

Additionally, the Coalition supports providing tax credits to offset military spouses' expenses in obtaining career-related licenses or certifications when service members are relocated to a different state.

Flexible Spending Accounts – TMC urges the Subcommittee to continue pressing the Defense Department until service members are provided the same eligibility to participate in Flexible Spending Accounts that all other federal employees and corporate employees enjoy. Additionally, we support H.R. 1110.

Permanent Change of Station (PCS) Allowances – The Military Coalition urges the Subcommittee to upgrade permanent change-of-station allowances to better reflect the expenses members are forced to incur in complying with government-directed relocations, with priority on adjusting flat-rate amounts that have been eroded by years – or decades – of inflation, and shipment of a second vehicle at government expense to overseas accompanied assignments.

BRAC/Rebasing/Military Construction/Commissaries – The Coalition urges the Subcommittee to closely monitor rebasing/BRAC plans and schedules to ensure sustainment and timely development of adequate family support/quality of life programs. And at closing and gaining installations, respectively – to include housing, education, child care, exchanges and commissaries, health care, family centers, unit family readiness, and other support services.

Morale, Welfare, and Recreation Programs – TMC urges the Subcommittee to ensure that DoD funds MWR programs at least to the 85 percent level for Category A programs and 65 percent for Category B requirements.

Education Enhancements – TMC urges the Subcommittee to work with the House Veterans Affairs Committee to establish the benchmark level of Montgomery GI Bill (MGIB) education benefits at the average cost of attending a four-year public college, and support continuous in-state tuition eligibility for service members and their families in the state in which the member is assigned and the member's home state of record once enrolled as a student.

National Guard & Reserve Issues

Reserve Retirement and 'Operational Reserve' Policy – TMC strongly urges further progress in revamping the reserve retirement system in recognition of increased service and sacrifice of National Guard and Reserve Component members, including at a minimum, extending the new authority for a 90 day=3 month reduction to all guard and Reserve members who have served since 9/11. TMC urges the Subcommittee to favorably report H.R. 4930 as the minimum next step on this issue.

A Total Force Approach to the Montgomery GI Bill – TMC urges Congress to integrate Guard and Reserve and active duty MGIB laws into Title 38. In addition, TMC recommends restoring basic reserve MGIB rates to approximately 50% of active duty rates and authorizing upfront reimbursement of tuition or training coursework for Guard and Reserve members. Accordingly, we support H.R. 4889.

Family Support Programs and Benefits – TMC urges Congress to continue and expand its emphasis on providing consistent funding and increased outreach to connect Guard and Reserve families with relevant support programs.

Tangible Support for Employers – The Coalition urges Congress to support needed tax relief for employers of Selected Reserve personnel and reinforce the Employer Support for Guard and Reserve Program. TMC strongly supports final passage of H.R. 3997.

Seamless Transition for Guard and Reserve Members – The Coalition urges the Subcommittee to continue and expand its efforts to ensure Guard and Reserve members and their families receive needed transition services to make a successful readjustment to civilian status.

Retirement Issues

Concurrent Receipt – The Coalition urges the Subcommittee to act expeditiously on the recommendations of the Veterans' Disability Benefits Commission and implement a plan to eliminate the deduction of VA disability compensation from military retired pay for all disabled military retirees.

Uniformed Services Retiree Entitlements and Benefits – TMC urges the Subcommittee to resist initiatives to "civilianize" the military retirement system in ways that reduce the compensation value of the current retirement system and undermine long-term retention.

Permanent ID Card Reform – The Coalition urges the Subcommittee to direct the Secretary of Defense to authorize issuance of permanent military identification cards to uniformed services family members and survivors who are age 65 and older.

Survivor Issues

SBP-DIC Offset – The Coalition strongly urges the Subcommittee to take further action to expand eligibility for the special survivor indemnity allowance to include all SBP-DIC survivors and continue progress toward completely repealing the SBP-DIC offset for this most-aggrieved group of military widows.

Final Retired Pay Check – TMC urges the Subcommittee to end the insensitive practice of recouping the final month's retired pay from the survivor of a deceased retired member.

Health Care Issues

Full Funding for the Defense Health Program – The Military Coalition strongly urges the Subcommittee to take all possible steps to restore the reduction in TRICARE-related budget authority and ensure continued full funding for Defense Health Program needs.

Protecting Beneficiaries Against Cost-Shifting – The Coalition urges the Subcommittee to require DoD to pursue greater efforts to improve TRICARE and find more effective and appropriate ways to make TRICARE more cost-efficient without seeking to "tax" beneficiaries and make unrealistic budget assumptions.

TMC Healthcare Cost Principles – The Coalition most strongly recommends Rep. Chet Edwards' and Rep. Walter Jones' H.R. 579 and Sen. Frank Lautenberg's and Sen. Chuck Hagel's S. 604 as models to establish statutory findings, a sense of Congress on the purpose and principles of military health care benefits, and explicit guidelines for and limitations on adjustments.

- Active duty members and families should be charged no fees except retail pharmacy co-payments, except to the extent they make the choice to participate in TRICARE Standard or use out-of-network providers under TRICARE Prime.
- For retired and survivor beneficiaries, the percentage increase in fees, deductibles, and co-payments that may be considered in any year should not exceed the percentage increase beneficiaries experience in their compensation.
- The TRICARE Standard inpatient copay should not be increased further for the foreseeable future. At $535 per day, it already far exceeds inpatient copays for virtually any private sector health plan.
- There should be no enrollment fee for TRICARE Standard or TRICARE For Life (TFL), since neither offers assured access to TRICARE-participating providers. An enrollment fee implies enrollees will receive additional services, as Prime enrollees are guaranteed access to participating providers in return for their fee. Congress already has required TFL beneficiaries to pay substantial Medicare Part B fees to gain TFL coverage.
- There should be one TRICARE fee schedule for all retired beneficiaries, just as all legislators, Defense leaders and other federal civilian grades have the same health fee schedule. The TRICARE schedule should be significantly lower than the lowest tier recommended by the Defense Department, recognizing that all retired members paid large up-front premiums for their coverage through decades of arduous service and sacrifice.

TRICARE Standard Enrollment – The Coalition strongly recommends against establishment of any TRICARE Standard enrollment system; to the extent enrollment may be required, any beneficiary filing a claim should be enrolled automatically, without denying the claim. No enrollment fee should be charged for TRICARE Standard until and unless the program offers guaranteed access to a participating provider.

Private Employer Incentive Restrictions – The Coalition recommends Congress modify the law restricting private employer TRICARE incentives to explicitly exempt employers who offer only cafeteria plans (i.e., cash payments to all employees to purchase care as they wish) and employers who extend specific cash payments to any employee who uses health coverage other than the employer plan (e.g., FEHBP, TRICARE, or commercial insurance available through a spouse or previous employer).

Provider Participation Adequacy – The Coalition urges the Subcommittee to continue monitoring DoD and GAO reporting on provider participation to ensure proper follow-on action.

Administrative Deterrents to Provider Participation – The Coalition urges the Subcommittee to continue its efforts to reduce administrative impediments that deter providers from accepting TRICARE patients.

TRICARE Reimbursement Rates – The Coalition urges the Subcommittee to exert what influence it can to persuade the Ways and Means/Finance Committees to reform Medicare/TRICARE statutory payment formula. To the extent the Medicare rate freeze continues, we urge the Subcommittee to encourage the Defense Department to use its reimbursement rate adjustment authority as needed to sustain provider acceptance.

Additionally, The Coalition urges the Subcommittee to require a Comptroller General report on the relative propensity of physicians to participate in Medicare vs. TRICARE, and the likely effect on such relative participation of a further freeze in Medicare/TRICARE physician payments along with the affect of an absence of bonus payments.

Minimize Medicare/TRICARE Coverage Differences – The Coalition urges the Subcommittee to align TRICARE coverage to at least match that offered by Medicare in every area and provide preventive services at no cost.

TRICARE Reserve Select (TRS) Premium – The Coalition recommends reducing TRS premiums to $48/month (single) and $175/month (family), as envisioned by the GAO, with retroactive refunds as appropriate. For the future, the percentage increase in premiums in any year should not exceed the percentage increase in basic pay.

The Coalition further recommends that the Subcommittee request a report from the Department of Defense on options to assure TRS enrollees' access to TRICARE-participating providers.

Private Insurance Premium Option – The Coalition recommends developing a cost-effective option to have DoD subsidize premiums for continuation of a Reserve employer's private family health insurance during periods of deployment as an alternative to permanent TRICARE Reserve Select coverage.

Involuntary Separatees – The Coalition recommends authorizing one year of post-Transitional Assistance Management Program (TAMP) TRS coverage for every 90 days deployed in the case of returning members of the IRR or members who are involuntarily separated from the Selected Reserve. The Coalition further recommends that voluntarily separating Reservists subject to disenrollment from TRS should be eligible for participation in the Continued Health Care Benefits Program (CHCBP).

Gray Area Reservists – The Coalition urges the Subcommittee to authorize an additional premium-based option under which members entering "gray area" retiree status would be able to avoid losing health coverage.

Reserve Dental Coverage – The Coalition supports providing dental coverage to Reservists for 90 days pre- and 180 days post-mobilization (during TAMP), unless the individual's dental readiness is restored to T-2 condition before demobilization.

Restoration of Survivors' TRICARE Coverage – The Coalition recommends restoration of TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

TRICARE Prime Remote Exceptions – The Coalition recommends removal of the requirement for the family members to reside with the active duty member to qualify for the TRICARE Prime Remote Program, when the family separation is due to a military-directed move or deployment.

BRAC, Re-Basing, and Relocation – The Coalition recommends codifying the requirement to provide a TRICARE Prime network at all areas impacted by BRAC or rebasing. Additionally, we recommend that DoD be required to provide an annual report to Congress on the adequacy of health resources, services, quality and access of care for those beneficiary populations affected by transformation plans.

Pharmacy Co-payment Changes – The Coalition recommends deferral of any pharmacy copay increases pending assessment of the effects of the new federal pricing law on usage and cost patterns for the different venues, and that the Subcommittee instead urge DoD to pursue copay reductions and ease prior authorization requirements for medications for chronic diseases, based on private sector experience that such initiatives reduce long-term costs associated with such diseases.

Rapid Expansion of "Third Tier" Formulary – The Coalition urges the Subcommittee to reassert its intent that the Beneficiary Advisory Panel should have a substantive role in the formulary-setting process, including access to meaningful data on relative drug costs in each affected class, consideration of all BAP comments in the decision-making process, and formal feedback concerning rationale for rejection of BAP recommendations.

Referral and Authorization System – The Coalition recommends that Congress require a cost analysis report, including input from each Managed Care Support Contractor, concerning the referral process within DoD and reliance on Civilian Network Providers within an MTF's Prime Service Area.

Deductibility of Health and Dental Premiums – The Coalition urges all Armed Services Committee members to seek the support of the Ways and Means and Finance Committees to approve legislation to allow all military beneficiaries to pay TRICARE-related insurance premiums in pre-tax dollars, to include TRICARE dental premiums, TRICARE Reserve Select premiums, TRICARE Prime enrollment fees, premiums for TRICARE Standard supplements, and long-term care insurance premiums.

OVERVIEW

Madam Chairman, The Military Coalition (TMC) thanks you and the entire Subcommittee for your continued, steadfast support of our active duty, Guard, Reserve, retired members, and veterans of the uniformed services and their families and survivors. The Subcommittee's work last year generated ground-breaking, innovative improvements in military end strength, currently serving pay, survivor benefits, disabled retiree programs, and of most significance, improvements in wounded warrior benefits, care, and treatment. These enhancements will definitely make a positive difference in the lives of active, Guard and Reserve personnel, retirees, survivors, and families.

As our men and women in uniform continue to prosecute the Global War on Terror, the Coalition believes it is critical that the Nation support our troops with the appropriate resources. The services have reported that they are wearing out equipment at a record pace; however, the Coalition is concerned that we are wearing out our people in uniform at even a faster pace. The current rate of deployments and the accompanied stress to our troops and their families put at risk the readiness of our service members.

The men and women in uniform, active duty, Guard, and Reserve, are answering the call – but not without ever-greater sacrifice. Currently, over 615,000 National Guard and Reserve members have been called to active Federal service for the War on Terrorism. Over 150,000 have had two or more deployments, putting particular stress on these members' civilian careers and employers. The "total force", with the support of their families, continues to endure mounting stress brought about by repeated deployments and ever-increasing workloads. Therefore, now is not the time to scrimp on the needs for our troops and their families.

Over the past several years, the Pentagon has repeatedly sought to curb spending on military personnel and facilities to fund operational requirements. In the process, the Defense Department has imposed dramatic force reductions in the Air Force and the Navy, tried to deter military retirees from using their earned health coverage by proposing large TRICARE fee increases, and cut back on installation quality of life programs.

The Coalition believes these efforts to rob personnel to fund operations will only make the uniformed services more vulnerable to future readiness problems. We agree with the Chairman of the Joint Chiefs of Staff, who has stated that four percent of GDP should be the "absolute floor" for the overall military budget. If we want a strong national defense, we have to pay for a strong military force as well as replace and upgrade aging, war-worn weapons and equipment.

The Coalition is encouraged by Congress' strong support for continued increases to Army and Marine Corps end strength, in recognition that our troops and families are dangerously overburdened. We believe the country must follow through on future planned increases, regardless of troop withdrawals from Iraq, and that these should be funded through permanent increases in the defense budget, not supplemental appropriations that undermine essential, long-term commitments. It's been proven that our military didn't have sufficient forces to meet the requirements of the current war. It would be inexcusable not to be better prepared for future contingencies.

In testimony today, The Military Coalition offers its collective recommendations on what needs to be done to address important personnel-related issues in order to sustain long-term personnel readiness.

WOUNDED WARRIOR ISSUES

Last February, a series of articles in the Washington Post titled "The Other Walter Reed" profiled shocking cases of wounded service members who became lost in military health care and administrative systems upon being transferred to outpatient rehabilitative care.

Subsequently, the national media ran many stories of seriously wounded troops warehoused in substandard quarters, waiting weeks and months for medical appointments and evaluation board results, left pretty much on their own to try and navigate the confusing maze of medical system and benefit and disability rules, and low-balled into disability separations rather than being awarded the higher benefits of military disability retirement.

Interviews with family members – spouses, children, and parents – revealed heartbreaking real life dramas of those who quit their jobs and virtually lived at military hospitals to become caregivers to seriously wounded troops. Left with diminishing resources and unfamiliar with military benefit and disability rules, they were severely disadvantaged in trying to represent the interests of their wounded spouses and children who couldn't stand up for themselves.

These issues drew the attention of the President and Congress, leading to the immediate appointment of multiple special commissions and task forces charged with investigating the problems and identifying needed solutions. The Coalition is very grateful for the work of the Dole-Shalala Commission, the Marsh-West Independent Review Group, the VA Interagency Task Force on Returning Veterans, the Mental Health Task Force, and the previously authorized Veterans' Disability Benefits Commission. The Coalition endorses the vast majority of these groups' recommendations, and we're pleased that the Subcommittee made a conscientious effort to address many of them in the Wounded Warrior Act provisions of the FY2008 NDAA.

Congress and TMC agree that our Nation's service men and women have earned first class care and assistance, both during recuperation and following separation or retirement from the military.

We are gratified at the sincere and unprecedented leadership efforts in the Departments of Defense and Veterans' Affairs and the Armed Services and Veterans' Affairs Committees to transform the system to make this long overdue goal a reality.

But years of bureaucratic and parochial barriers can't be swept away as easily as we all would wish. The good work done in 2007 was only a modest first step on the path to transforming military and veterans programs to meet the pressing needs of wounded and disabled members and their families. We're still a long, long way from achieving the "seamless transition" goal.

Joint Transition Office – The Coalition believes one critical problem is bureaucratic stove-piping in each department. While both DoD and VA are making great efforts to cooperate, there is no permanent joint activity or office whose primary mission is to jointly plan and execute the seamless transition strategy and then exercise productive oversight over the longer-term process. There's no doubt about the good intentions of leadership, but to sustain the effort for the long

term requires a change in organizational structure. Periodic meetings, after which the DoD and VA participants return to their separate offices on opposite sides of the Potomac, won't sustain the effort after the horror stories fade from the headlines.

This simply can't be someone's part-time job. It requires a full-time joint federal transition office, staffed by full-time DoD, service and VA personnel working in the same office with a common joint mission: developing, implementing and overseeing the Joint Executive Council's strategic plan. This office's responsibilities should include:

- **Joint In-Patient Electronic Health Record** – The FY2008 NDAA took the first step in authorizing a DoD/VA Interagency Program Office to oversee this specific initiative, which TMC has been seeking for years. But we believe the 2012 objective for implementing this system is too long to wait. Congress must press DoD and VA to speed delivery as soon as humanly possible, with concrete timelines and milestones for action. TMC also believes that the same logic that necessitates a joint office's oversight of this specific initiative is equally applicable in other areas, and that the interagency office's area of responsibility should be expanded accordingly.
- **Special Needs Health Care** – Polytrauma Rehabilitation Centers were established to meet the specialized clinical care needs of patients with multiple trauma conditions. They provide comprehensive inpatient rehabilitation services for individuals with complex cognitive, physical and mental health sequelae of severe disabling trauma. These centers require special oversight in order to ensure the required resources are available to include specialized staff, technical equipment and adequate bed space. This oversight must be a joint effort since it provides a significant piece of the health care continuum for severely injured personnel.
- **Post Traumatic Stress Disorder (PTSD), Traumatic Brain Injuries (TBI), and Mental Health/Counseling** – The Coalition strongly supports the provisions in the FY2008 NDAA establishing Centers of Excellence for these programs. We simply must have some central monitoring, evaluation, and crossfeed to take best advantage of the wide variety of current and planned DoD, service, and VA programs and pilot projects aimed at destigmatizing, identifying, and treating TBI and PTSD. The Coalition believes it also is important to ensure that TBI and PTSD are identified and treated as combat injuries rather than mental health problems. The Coalition is doubtful whether these centers, by themselves, will be in a position to ensure coordination and implementation of best practices across all departments and services.
- **Caregiver Initiatives** – Several wounded warrior provisions in the recently enacted NDAA provide additional support for the caregiver of the wounded warrior, typically a family member. However, we believe more needs to be done to strengthen support for families, to include the authorization of compensation for family member caregivers of severely injured who must leave their employment to care for the service member.
- **Access to Care** – A significant impediment to the "seamless transition" goal is that there are significant differences between health coverage and some other entitlements when a member transitions from active military service to separated or retired status. TRICARE benefits for disability retirees and families are not the same as they were on active duty, and there are significant differences between coverage and availability of programs between TRICARE and the VA. When a member dies on active duty, Congress has deemed that the member's family should be eligible for three years of active-duty-level TRICARE coverage to assist in the family's transition. TMC believes strongly that members who are disabled significantly by military service deserve equal treatment. The FY2008 NDAA authorized continued active-duty level coverage, but only for the servicemember, and then only in cases where VA

coverage is not available. TMC believes this limitation significantly undermines the seamless transition goal for wounded/disabled members whose rehabilitation and recovery may continue long after the time they leave active duty. Their needs – and those of their families – should not be inhibited by higher copays, deductibles, and coverage decreases the moment they are separated or retired from active duty. Allowing disabled members and their families to retain their active duty military health care benefit for three years after separation or retirement is essential to align our stated intentions with the realities faced by disabled members and families.

- **Joint Research** – Combined Research Initiatives would further enhance the partnership between VA and DoD. Since many of the concerns and issues of care are shared, joint collaboration of effort in the area of research should enable dollars to go much further and provide a more standardized system of health care in the military and veteran communities. Furthermore, research must also be performed jointly and across all Military Departments and with other practicing healthcare agencies to ensure timely integration of these findings in the diagnosis and treatment of wounded and disabled patients.

The Coalition is encouraged with the creation of a joint DoD-VA office to oversee development of a bi-directional electronic medical record. However, we strongly recommend that the Subcommittee upgrade the scope of responsibilities and span of authority for the new DoD-VA Interagency Program Office to include top-down planning and execution of all "seamless transition" functions, including the joint electronic health record; joint DoD/VA physical; implementation of best practices for TBI, PTSD, and special needs care; care access/coordination issues; and joint research.

The Coalition believes authorizing three years of their active-duty-level health care benefit for service-disabled members and their families after separation or retirement is essential to align stated "seamless transition" intentions with the realities faced by disabled members and families.

Disability Retirement Reform – Several of the Walter Reed task forces and commissions recommended significant changes to the DoD Disability Evaluation System (DES), and the FY2008 NDAA includes several initiatives requiring joint DoD/VA DES pilot programs; use of the VA Schedule for Rating Disabilities; review of medical separations with disability ratings of 20 percent or less; and enhanced disability severance pay. These changes will hopefully improve the overall DES and help correct the reported "low-ball" ratings awarded some wounded warriors.

The Coalition is very supportive of the current DoD/VA disability rating pilot, which has the potential to help streamline transition from active duty into veteran/retired status. However, we believe further legislative efforts are required to curb service differences in determining whether a condition existed prior to service. To this end, language in the FY2008 NDAA aimed at addressing this problem may actually have exacerbated it by amending only a part of the relevant provisions of law.

The Coalition does not support proposals to simply do away with the military disability retirement system and shift disability compensation responsibility to the VA. While this proposal seems administratively simple, and supports our long-standing "concurrent receipt" goal of ensuring proper vesting of service-based retirement for members who suffer from service-caused disabilities, it poses two significant risks that TMC deems unacceptable. First, it

would cause significant compensation reductions for some severely disabled personnel – up to $1,000 a month or more in some cases, and even more for some Guard and Reserve members who suffer severe disabilities. Second, it would eliminate the 30%-disability retirement threshold that now establishes eligibility for retiree TRICARE coverage for disabled members and their families. TMC believes there must continue to be a statutory military disability threshold above which the member is considered a military retiree (not simply a separatee and veteran) and eligible for all the privileges of military retirement, including TRICARE coverage. The Coalition objects strongly to establishing disability ratings, compensation, or health care eligibility based whether the disability was incurred in combat vice non-combat.

The Coalition strongly supports the recent NDAA requirement for a case review of members separated with 20% or lower ratings since Oct. 7, 2001. There is evidence that many received "low-ball" ratings that did not adequately reflect the degree of their disabilities and unfairly denied them eligibility for military disability retired pay and health coverage.

But we believe the Subcommittee did not go far enough to correct past inequities. The Coalition is aware of many cases of "model troops" who fell into depression, drug use, and disciplinary situations after one or more combat tours, and who subsequently received administrative or disciplinary discharges.

The Coalition urges the Subcommittee to ensure any legislative changes to the military disability evaluation and retirement systems do not reduce compensation and benefit levels for disabled service members.

The Coalition does not support proposals to do away with the military disability retirement system and shift disability compensation responsibility to the VA.

The Coalition urges an expanded review of all administrative and disciplinary separations since Oct 7, 2001 for members with recent combat experience to assess whether the behavior that led to separation may have been due to service-caused exposure.

ACTIVE FORCE ISSUES

The Subcommittee's key challenges will be to fend off those who wish to cut needed personnel and quality of life programs while working with DoD and the Administration to reduce the stress on the force and their families already subjected to repeated, long-term deployments. Rising day-to-day workloads for non-deployed members and repeated extensions of combat tours creates a breeding ground for retention problems. Meeting these challenges will require a commitment of personnel and resources on several fronts.

End Strength and Associated Funding – The Coalition was encouraged when the Subcommittee ensured that the Army and Marine Corps authorized end strengths continued to grow in FY2008, and we are further encouraged that the DoD has asked for additional manpower increases for the Army and Marine Corps over the next four years.

Congress must ensure these increases are sufficient to ease force rotation burdens and the services are fully funded in order to achieve the new end strength. Increasing end strength is not a quick fix that will ease the stressors on service members who are currently serving and their families.

Some already speculate that the planned increases may not be needed if we can reduce the number of troops deployed to Iraq. The Coalition believes strongly that the increases are essential to future readiness, regardless of force levels in Iraq. We know we didn't have enough troops to fight the current war without imposing terrible penalties on military members and families, and we must build our force management plans to avoid having to do so when the nation is faced with another major unexpected contingency requirement.

For too long, we have planned only for the best-case scenario, which ignores our responsibility to the Nation to be prepared for unexpected and less-favorable scenarios, which could well arise anywhere around the globe, including the Far East.

A full range of funding is required to support this necessary end strength, including housing, health care, family programs, and child care. Having the services absorb these costs out of pocket is self-defeating.

Furthermore, as the Army and Marine Corps increase over the next four years, the Coalition remains concerned that ongoing Navy and Air Force active and Reserve personnel cuts are driven by budget considerations rather than operational requirements. We believe it is increasingly likely that future experience will prove these cutbacks ill-advised, and urge the Subcommittee to reconsider their consistency with long-term readiness needs.

The Coalition strongly urges the Subcommittee to sustain projected increases in ground forces and provide additional recruiting, retention, and support resources as necessary to attain/sustain them.

The Coalition urges the Subcommittee to reconsider the consistency of projected reductions of Navy and Air Force forces with long-term readiness needs.

Compensation and Special Incentive Pays – The Coalition is committed to ensuring that pay and allowance programs are equitably applied to the seven uniformed services. In that regard, the Coalition urges the Subcommittee to be mindful that personnel and compensation program adjustments for Department of Defense forces should also apply to uniformed members of the Coast Guard, NOAA Corps and Public Health Service.

Since the turn of the century, Congress and DoD have made significant progress to improve the lives of men and women in uniform and their families. Since 1999, when military pay raises had lagged a cumulative 13.5% behind the private sector pay comparability standard, the Subcommittee has narrowed that gap to 3.4%. Each year during that span, the Subcommittee has ensured at least some progress in shrinking that disparity further. TMC is grateful for that progress, and believes strongly that it should continue until full pay comparability is restored.

DoD uses the 70th percentile of earnings of private workers of comparable age, experience and education as a standard to help rebalance the military pay table through special targeted pay increases depending on grade and longevity status. The Coalition believes this measure is useful as one tool in the process of establishing the proper progression of the pay table, and needs to be monitored and applied as necessary in the future. But it does not, by itself, supplant overall growth in the Employment Cost Index (ECI) as the measure of pay comparability, nor does it erase the remaining 3.4% gap between military pay raises and private sector pay growth.

The Coalition believes Congress will never find a better opportunity to phase out the remaining gap than today's conditions when private sector pay growth is relatively low. In assessing the proper amount to reduce the pay gap, Congress also should consider that today's troops are working much harder – and their families sacrificing much more – for their modest raises.

This year, we expect the Defense budget will propose a 3.4% raise for military personnel in 2009 – a percentage equal to the growth in private sector pay two years earlier in 2007. The Coalition believes strongly that this is not the time to end Congress' steady path of progress in reducing the military pay comparability gap.

The Coalition urges the Subcommittee to propose a military pay raise of at least 3.9% for FY2009 (one-half percentage point above private sector pay growth) and to continue such half-percent annual increases over the ECI until the current 3.4% pay comparability gap is eliminated.

The Coalition also urges the Subcommittee to continue periodic targeted pay raises as appropriate to recognize the growing education and technical qualifications of enlisted members and warrant officers and sustain each individual grade/longevity pay cell at the minimum 70th percentile standard.

Access to Quality Housing – Today's housing allowances come much closer to meeting military members' and families' housing needs than in the past, thanks to the conscientious efforts of the Subcommittee in recent years.

But the Coalition believes it's important to understand that some fundamental flaws in the standards used to set those allowances remain to be corrected, especially for enlisted members.

The Coalition supports revised housing standards that are more realistic and appropriate for each pay grade. Many enlisted personnel are unaware of the standards for their respective pay grade and assume that their BAH level is determined by a higher standard or by the type of housing for which they would qualify if they live on a military installation. For example, only 1.25% of the enlisted force (E-9) is eligible for BAH sufficient to pay for a 3-bedroom single-family detached house, even though thousands of more junior enlisted members do, in fact, reside in detached homes. The Coalition believes that as a minimum, this BAH standard (single-family detached house) should be extended gradually to qualifying service members beginning in grade E-8 and subsequently to grade E-7 and below over several years as resources allow.

The Military Coalition urges reform of military housing standards that inequitably depress BAH rates for mid to senior enlisted members by relegating their occupancy to inappropriately small quarters.

Family Readiness and Support – A fully funded, robust family readiness program continues to be crucial to overall readiness of our military, especially with the demands of frequent and extended deployments.

Resource issues continue to plague basic installation support programs. At a time when families are dealing with increased deployments, they are being asked to do without. Often family centers are not staffed for outreach. Library and sports facilities hours are being abbreviated or

cut altogether. Manpower for installation security is being reduced. These are additional sacrifices that we are imposing on our families left behind while their service members are deployed.

In a similar vein, the Coalition believes additional authority and funding is needed to offer respite and extended child care for military families. These initiatives should be accompanied by a more aggressive outreach and education effort to improve members' and families' financial literacy. We should ensure members are aware of and encouraged to use child care, mental health support, spousal employment, and other quality-of-life programs that have seen recent growth. However, this education effort should also include expanded financial education initiatives to inform and counsel members and families on life insurance options, Thrift Savings Plan, IRAs, flexible spending accounts, savings options for children's education, and other quality of life needs.

In particular service members must be educated on the long-term financial consequences of electing to accept the much lower-value $30,000 REDUX retention bonus after 15 years of service vice sustaining their full High-3 retirement benefit.

The Coalition urges the Subcommittee to support increased family support funding and expanded education and other programs to meet growing needs associated with increased ops tempo, extended deployments and the more complex insurance, retirement, and savings choices faced by over-extended military families.

Spouse Employment – The Coalition is pleased that movement is being made to enhance the total force spouse employment opportunities through a test program and strong partnerships between DoD, Department of Labor, service organizations, employers, and others; however, more needs to be done.

More and more military spouses are in the workforce than in the past, but challenges in finding jobs after relocation adversely impact the military families' financial stability and satisfaction with military life. Spouse employment helps contribute to a strong military and helps in retention of our high quality, all-volunteer force. Defense leaders repeatedly acknowledge, "We recruit service members, but we retain families."

One of the greatest frustrations for working spouses is the career and financial disruption associated with military-directed relocations. If we're serious about retaining more military families, we must get serious about easing this significant career and military life dissatisfier.

The Coalition urges the Subcommittee to support H.R. 2682, which would expand the Workforce Opportunity Tax Credit for employers who hire spouses of Regular and Reserve component service members.

Additionally, the Coalition supports providing tax credits to offset military spouses' expenses in obtaining career-related licenses or certifications when service members are relocated to a different state.

Flexible Spending Accounts – The Coalition cannot comprehend the Defense Department's continuing failure to implement existing statutory authority for active duty and Selected Reserve

members to participate in Flexible Spending Accounts (FSAs), despite both Armed Services Committees' prodding on this subject.

All other federal employees and corporate civilian employees are able to use this authority to save thousands of dollars a year by paying out-of-pocket health care and dependent care expenses with pre-tax dollars. It is unconscionable that the Department has failed to implement this money-saving program for the military members who are bearing the entire burden of national sacrifice in the Global War on Terrorism.

TMC urges the Subcommittee to continue pressing the Defense Department until service members are provided the same eligibility to participate in Flexible Spending Accounts that all other federal employees and corporate employees enjoy. Additionally, we support H.R. 1110.

Permanent Change of Station (PCS) Allowances – PCS allowances have continually failed to keep pace with the significant out-of-pocket expenses service members and their families incur in complying with government-directed moves.

For example, PCS mileage rates still have not been adjusted since 1985. The current rates range from 15 to 20 cents per mile – an ever-shrinking fraction of the 50.5 cents per mile rate authorized for temporary duty travel. Also, military members must make any advance house-hunting trips at personal expense, without any government reimbursements such as federal civilians receive.

Additionally, the overwhelming majority of service families consist of two working spouses, making two privately owned vehicles a necessity. Yet the military pays for shipment of only one vehicle on overseas moves, including moves to Hawaii and Alaska. This forces relocating families into large out-of-pocket expenses, either by shipping a second vehicle at their own expense or selling one car before leaving the states and buying another upon arrival. The Coalition is greatly disappointed that, for two consecutive years, a Subcommittee proposal to authorize shipping two vehicles to non-foreign duty locations outside of CONUS has been dropped in conference.

The Coalition is grateful that the senior enlisted PCS weight allowance tables were increased slightly in the FY2006 NDAA; however, we believe that these modification need to go further for personnel in pay grades E-7, E-8, and E-9 to coincide with allowances for officers in grades O-4, O-5, and O-6 respectively. The personnel property weight for a senior E-9 leader without dependents remains the same as for a single O-3 despite the normal accumulation of household goods over the course of a career.

Four years ago, the Subcommittee authorized the Families First initiative. Among its provisions was full replacement value (FRV) reimbursement for household goods damaged during PCS moves. We are grateful that this first FRV phase has begun but will continue to monitor its implementation. The next phase, focusing on survey results and real time access to the progress of household goods in the moving process has yet to be fully implemented. We will continue to monitor the progress and hope that Congress will be doing the same.

Aside from that long-delayed initiative the last real adjustment in PCS expenses was seven years ago in 2001, when this Subcommittee upgraded PCS per diem (but not mileage) rates and raised the maximum daily Temporary Lodging Expense (TLE) allowance from $110 to $180 a day for

a PCSing family, among certain other adjustments, including the increase in the junior enlisted weight allowances. That TLE amount is supposed to cover a family's food and lodging expenses while in temporary quarters at the gaining or losing installation. Today, after seven years of inflation, it's hardly adequate to cover the daily expenses of a family of four or five anywhere in America, let alone a family ordered to relocate to San Diego or Washington, DC.

The Coalition also supports authorization of a dislocation allowance for service members making their final "change of station" upon retirement from the uniformed services and a 500-pound professional goods weight allowance for military spouses.

We cannot avoid requiring members to make regular relocations, with all the attendant disruptions in their children's education and their spouses' careers. The Coalition believes strongly that the Nation that requires military families to incur these disruptions should not be making them bear the attendant high expenses out of their own pockets.

The Military Coalition urges the Subcommittee to upgrade permanent change-of-station allowances to better reflect the expenses members are forced to incur in complying with government-directed relocations, with priority on adjusting flat-rate amounts that have been eroded by years – or decades – of inflation, and shipment of a second vehicle at government expense to overseas accompanied assignments.

BRAC/Rebasing/Military Construction/Commissaries – TMC remains concerned about inadequacy of service implementation plans for DoD transformation, global repositioning, Army modularity, and BRAC initiatives. Given the current wartime fiscal environment, TMC is greatly worried about sustaining support services and quality of life programs for members and families. These programs are clearly at risk – not a week goes by that the Coalition doesn't hear reports of cutbacks in base operation accounts and base services because of funding shortfalls.

Feedback from the installation level is that local military and community officials often are not brought "into the loop" or provided sufficient details on changing program timetables to plan, seek, and fund support programs (housing, schools, child care, roads, and other infrastructure) for the numbers of personnel and families expected to relocate to the installation area by a specific date.

We believe it is important to note that the commissary is a key element of the total compensation package for service members and retirees. In addition to providing average savings of thirty percent over local supermarkets, commissaries provide an important tie to the military community. Shoppers get more than groceries at the commissary. It is also an opportunity to connect with other military family members and to get information on installation programs and activities through bulletin boards and installation publications. Finally, shoppers receive nutrition information and education through commissary promotions and educational campaigns contributing to the overall health of the entire beneficiary population.

The Coalition urges the Subcommittee to closely monitor rebasing/BRAC plans and schedules to ensure sustainment and timely development of adequate family support/quality of life programs. And at closing and gaining installations, respectively – to include housing, education, child care, exchanges and commissaries, health care, family centers, unit family readiness, and other support services.

Morale, Welfare, and Recreation Programs – The availability of appropriated funds to suppo MWR activities is an area of continuing concern. TMC strongly opposes any DOD initiative th withholds or reduces MWR appropriated support for Category A and Category B programs or that reduces the MWR dividend derived from military base exchange programs.

Service members and their families are reaching the breaking point as a result of the war and the constant changes going on in the force. It is unacceptable to have troops and families continue t take on more responsibilities and sacrifices and not give them the support and resources to do th job and to take care of the needs of their families.

TMC urges the Subcommittee to ensure that DoD funds MWR programs at least to the 85 percent level for Category A programs and 65 percent for Category B requirements.

Education Enhancements – Providing quality education for all military children is a key recruiting and retention standard that has been historically supported by the Subcommittee.

The Coalition is concerned that there was no increase in the amount of the DoD Supplement to Impact Aid. The need for supplemental funding as school districts receive more military children as rebasing is implemented is increasing. We believe that the funding should reflect th greater impact.

Service members have seen the value of their Montgomery GI Bill (MGIB) dramatically diminish due to double digit education inflation. The Coalition recommends tying the MGIB education benefit level to the average cost of a four-year public college.

Furthermore, service families facing several duty location changes during a career often encounter problems establishing state residency for the purpose of obtaining in-state tuition rate for military children and spouses. The Coalition supports authorizing in-state college tuition rates for service members and their families in the state in which the member is assigned and th member's home state of record. The in-state tuition should remain continuous once the military member or family member is established as a student.

TMC urges the Subcommittee to work with the House Veterans Affairs Committee to establis the benchmark level of Montgomery GI Bill (MGIB) education benefits at the average cost of attending a four-year public college, and support continuous in-state tuition eligibility for service members and their families in the state in which the member is assigned and the member's home state of record once enrolled as a student.

NATIONAL GUARD AND RESERVE FORCE ISSUES

Every day somewhere in the world, our National Guard and Reserves are answering the call to service. Although there is no end in sight to their participation in homeland security, overseas deployment and future contingency operations, Guard and Reserve members have volunteered for these duties and accept them as a way of life in the 21st Century.

Since Sept. 11, 2001, more than 615,000 National Guard and Reserve service men and women have been called to active Federal service for the War on Terrorism and more than 150,000 hav served multiple deployments. They are experiencing similar sacrifices as the active duty forces. However, readjusting to home life, returning to work and the communities and families they lef

behind puts added stress on Guard and Reserve members. Unlike active duty members, whose combat experience enhances their careers, many Guard Reserve members return to employers who are unhappy about their active duty service and find that their civilian careers have been inhibited by their prolonged absences. Further, despite the continuing efforts of the Subcommittee, most Guard and Reserve families do not have the same level of counseling and support services that the active duty members have.

All Guard and Reserve components are facing increasing challenges involving major equipment shortages, end-strength requirements, wounded-warrior health care, assistance and counseling for Guard and Reserve members for pre-deployment and post-deployment contingency operations.

Congress and the Department of Defense must provide adequate benefits and personnel policy changes to support our troops who go in harm's way.

Reserve Retirement and 'Operational Reserve' Policy – The assumption behind the 1948-vintage G-R retirement system – retired pay eligibility at age 60 – was that these service members would be called up only infrequently for short tours of duty, allowing the member to pursue a full-time civilian career with a full civilian retirement. Under the "Operational Reserve" policy, Reservists will be required to serve one-year active duty tours every five or six years.

Repeated, extended activations devalue full civilian careers and impede Reservists' ability to build a full civilian retirement, 401(k), etc. Regardless of statutory reemployment protections, periodic long-term absences from the civilian workplace can only limit Guard and Reserve members' upward mobility, employability and financial security. Further, strengthening the Reserve retirement system is needed as an incentive to retain critical mid-career officers and NCOs for a full Reserve career to meet long-term readiness needs.

The Coalition is grateful for the FY 2008 NDAA provision that would lower the Reserve retirement age by three months for each cumulative 90 days of active duty on contingency operation orders. TMC appreciates the importance of this small first step, but is very concerned that the new authority authorizes such credit only for service in 2008 and beyond – ignoring the extreme sacrifices of those who have borne the greatest burden of sacrifice in the war on terror for one, two, three or more combat tours in the past six years.

TMC strongly urges further progress in revamping the reserve retirement system in recognition of increased service and sacrifice of National Guard and Reserve Component members, including at a minimum, extending the new authority for a 90 day=3 month reduction to all guard and Reserve members who have served since 9/11. TMC urges the Subcommittee to favorably report H.R. 4930 as the minimum next step on this issue.

A Total Force Approach to the MGIB – The Nation's active duty, National Guard and Reserve forces are operationally integrated under the Total Force policy. But educational benefits under the MGIB do not reflect the policy nor match benefits to service commitment.

TMC is grateful that the FY2008 NDAA addressed a major inequity for operational Reservists by authorizing 10 years of post-service use for benefits earned under Chapter 1607, 10 USC.

But this change will require the DoD, not the VA to pay the costs of readjustments for Reservists. At a hearing on January 17, 2008, a senior DoD official acknowledged that the DoD no longer should control Chapter 1607.

In addition, basic reserve MGIB benefits for initial service entry have lost proportional parity with active duty rates since 9/11. These relative benefits have spiraled down from a historic ratio of 47-50% of active duty MGIB levels to less than 29% – at a time when Guard and Reserve recruitment continues to be very challenging.

TMC urges Congress to integrate Guard and Reserve and active duty MGIB laws into Title 38. In addition, TMC recommends restoring basic reserve MGIB rates to approximately 50% of active duty rates and authorizing upfront reimbursement of tuition or training coursework for Guard and Reserve members. Accordingly, we support H.R. 4889.

Family Support Programs and Benefits – The Coalition supports providing adequate funding for a core set of family support programs and benefits that meet the unique needs of Guard and Reserve families with uniform access for all service members and families. These programs would promote better communication with service members, specialized support for geographically separated Guard and Reserve families and training and back up for family readiness volunteers. This access would include:

- Web-based programs and employee assistance programs such as Military One Source and Guard Family.org.
- Enforcement of command responsibility for ensuring that programs are in place to meet the special needs of families of individual augmentees or the geographically dispersed.
- Expanded programs between military and community religious leaders to support service members and families during all phases of deployments.
- Availability of robust preventive counseling services for service members and families and training so they know when to seek professional help related to their circumstances.
- Enhanced education for Guard and Reserve family members about their rights and benefits.
- Innovative and effective ways to meet the Guard and Reserve community's needs for occasional child care, particularly for preventive respite care, volunteering, and family readiness group meetings and drill time.
- A joint family readiness program to facilitate understanding and sharing of information between all family members, no matter what the service.

The Coalition recognizes the Subcommittee's longstanding interest and efforts on this topic, including several provisions in the FY2008 NDAA. The Coalition will monitor the results of the surveys and increased oversight called for in the provisions and looks forward to working closely with the Family Readiness Council.

TMC urges Congress to continue and expand its emphasis on providing consistent funding and increased outreach to connect Guard and Reserve families with relevant support programs.

Tangible Support for Employers – Employers of Guard and Reserve service members shoulder an extra burden in support of the national defense. The new "Operational Reserve" policy places even greater strain on employers. For their sacrifice, they get plaques to hang on the wall.

For Guard and Reserve members, employer 'pushback' is listed as one of the top reasons for Reservists to discontinue Guard and Reserve service. If we are to sustain a viable Guard and Reserve force for the long term, the Nation must do more to tangibly support employers of the Guard and Reserve and address their substantive concerns, including initiatives such as:

- Tax credits for employers who make up any pay differential for activated employees.
- Tax credits to help small business owners hire temporary workers to fill in for activated employees.
- Tax credits for small manufacturers to hire temporary workers.

The Coalition urges Congress to support needed tax relief for employers of Selected Reserve personnel and reinforce the Employer Support for Guard and Reserve Program. TMC strongly supports final passage of HR 3997.

Seamless Transition for Guard and Reserve Members – Over 615,000 members of the Guard and Reserve have been activated since 9/11. Congressional hearings and media reports have documented the fact that at separation, many of these service members do not receive the transition services they and their families need to make a successful readjustment to civilian status. Needed improvements include but are not limited to:

- Funding to develop tailored Transition Assistance Program (TAP) services in the hometown area following release from active duty.
- Expansion of VA outreach to provide "benefits delivery at discharge" services in the hometown setting.
- Authority for mobilized Guard and Reserve members to file "Flexible Spending Account" claims for a prior reporting year after return from active duty.
- Authority for employers and employees to contribute to 401k and 403b accounts during mobilization.
- Enactment of academic protections for mobilized Guard and Reserve students including: academic standing and refund guarantees; and, exemption of Federal student loan payments during activation.
- Automatic waivers on scheduled licensing / certification / promotion exams scheduled during a mobilization.
- Authority for reemployment rights for Guard and Reserve spouses who must suspend employment to care for children during mobilization.

The Coalition appreciates the work of this Subcommittee in seeking to address some of these needs in the FY2008 NDAA, but more remains to be done.

The Coalition urges the Subcommittee to continue and expand its efforts to ensure Guard and Reserve members and their families receive needed transition services to make a successful readjustment to civilian status.

RETIREMENT ISSUES

The Military Coalition is extremely grateful to the Subcommittee for its support of maintaining a strong military retirement system to help offset the extraordinary demands and sacrifices inherent in a career of uniformed service.

Concurrent Receipt – In the FY2004 NDAA, Congress acknowledged the inequity of the disability offset to earned retired pay and established a process to end or phase out the offset for all members with at least 20 years of service and at least a 50% disability rating. That legislation also established the Veterans' Disability Benefits Commission and tasked the Commission to review the disability system and recommend any further adjustments to the disability offset law.

Now the Commission has provided its report to Congress, in which it recommended an end to the VA compensation offset for all disabled military retirees, regardless of years of service, percentage of disability, or source of the service-connected disability (combat vs. non-combat).

In the interim, Congressional thinking has evolved along similar lines. The Coalition is thankful for the Subcommittee's efforts in the FY2008 NDAA to extend Combat-Related Special Compensation to disabled retirees who had their careers forced into retirement before attaining 20 years of service, as well as ending the offset for retirees rated unemployable by the VA.

Despite this important progress, major inequities still remain that require the Subcommittee's immediate attention. Many retirees are still excluded from the same principle that eliminates the disability offset for those with 50 percent or higher disabilities. The Coalition agrees strongly with the Veterans' Disability Benefits Commission that principle is the same for all disabled retirees, including those not covered by concurrent receipt relief enacted so far.

The one key question is, "Did the retired member fully earn his or her service-based retired pay, or not, independent of any disability caused by military service in the process?" The Coalition and the Disability Commission agree that the answer has to be "Yes." Any disability compensation award should be over and above service-earned retired pay.

If a service-caused disability is severe enough to bar the member's continuation on active duty, and the member is forced into medical retirement short of 20 years of service, the member should be "vested" in service-earned retired pay at 2.5% times pay times years of service.

To the extent that a member's military disability retired pay exceeds the amount of retired pay earned purely by service, that additional amount is for disability and therefore is appropriately subject to offset by VA disability compensation.

The principle behind eliminating the disability offset for Chapter 61 retirees with less than 20 years of service with combat-related disabilities is no less applicable to those who had their careers cut short by other service-caused conditions. It is simply inappropriate to make such members fund their own VA disability compensation from their service-earned military retired pay, and it is unconscionable that current law forces thousands of severely injured members with as much as 19 years and 11 months of service to forfeit most or all of their earned retired pay.

The Coalition urges the Subcommittee to act expeditiously on the recommendations of the Veterans' Disability Benefits Commission and implement a plan to eliminate the deduction of VA disability compensation from military retired pay for all disabled military retirees.

Uniformed Services Retiree Entitlements and Benefits – The Coalition awaits the results of the 10th Quadrennial Review of Military Compensation, which was tasked with reviewing the recommendations of the Defense Advisory Committee on Military Compensation (DACMC). The Coalition does not support the DACMC recommendations to modify the military retirement

system to more closely reflect civilian practices, including vesting for members who leave service short of a career and delaying retired pay eligibility until age 60 for those who serve a career.

Many such proposals have been offered in the past, and have been discarded for good reasons. The only initiative to substantially curtail/delay military retired pay that was enacted – the 1986 REDUX plan – had to be repealed 13 years later after it began inhibiting retention.

The Coalition believes such initiatives to "civilianize" the military retirement system in ways that reduce the value of the current retirement system and undermine long-term retention are based on a seriously flawed premise. The reality is that unique military service conditions demand a unique retirement system. Surveys consistently show that the military retirement system is the single most powerful incentive to serve a full career under conditions few civilians would be willing to endure for even one year, much less 20 or 30. A civilian-style retirement plan would be appropriate for the military only if military service conditions were similar to civilian working conditions – which they most decidedly are not. The Coalition believes strongly that, if such a system as recommended by the DACMC existed for today's force under today's service conditions, the military services would already be mired in a much deeper and more traumatic retention crisis than they have experience for many of the past several years.

TMC urges the Subcommittee to resist initiatives to "civilianize" the military retirement system in ways that reduce the compensation value of the current retirement system and undermine long-term retention.

Permanent ID Card Eligibility – The advent of TRICARE For Life (TFL), expiration of TFL-eligible spouses' and survivors' military identification cards – and the threatened denial of health care claims – have caused many frail and elderly members and their caregivers significant administrative and financial distress.

Previously, those who lived miles from a military installation or who resided in nursing homes and assisted living facilities simply did not bother to renew their ID cards upon the four year expiration date. Before enactment of TFL, they had little to lose by not doing so. But now, ID card expiration cuts off their new and all-important health care coverage.

Congress has agreed with the Coalition's concerns that a four-year expiration date is reasonable for younger family members and survivors who have a higher incidence of divorce and remarriage, but it imposes significant hardship and inequity upon elderly dependents and survivors.

In the FY2005 NDAA, Congress authorized permanent ID cards for spouses and survivors who have attained age 75 (vs. the Coalition-recommended age 65), recognizing that many elderly spouses and survivors with limited mobility or who live in residential care facilities find it difficult or impossible to renew their military ID cards. Subsequently, Congress expanded that eligibility to permanently disabled dependents of retired members, regardless of age.

Coalition associations continue to hear from a number of beneficiaries below the age of 75 who are disabled, living in residential facilities, are unable to drive, or do not live within a reasonable distance of a military facility. The threat of loss of coverage is forcing many others to try to

drive long distances – sometimes in adverse weather and at some risk to themselves and others – to get their cards renewed.

For administrative simplicity, the Coalition believes the age for the permanent ID card for spouses and survivors should coincide with the advent of TRICARE For Life. To the extent an interim step may be necessary, the eligibility age could be reduced to 70.

The Coalition urges the Subcommittee to direct the Secretary of Defense to authorize issuance of permanent military identification cards to uniformed services family members and survivors who are age 65 and older.

SURVIVOR ISSUES

The Coalition is grateful to the Subcommittee for its significant efforts in recent years to improve the Survivor Benefit Plan (SBP). We particularly note that, as of April 1, thanks to this Subcommittee's efforts, the minimum annuity for all SBP beneficiaries, regardless of age will be 55% of covered retired pay.

We also appreciate the Subcommittee's initiative in last year's defense bill that establishes a special survivor indemnity allowance that is the first step in a longer-term effort to phase out the Dependency and Indemnity Compensation (DIC) offset to SBP when the member died of a service-caused condition.

SBP-DIC Offset – The Coalition believes strongly that current law is unfair in reducing military Survivor Benefit Plan (SBP) annuities by the amount of any survivor benefits payable from the VA Dependency and Indemnity Compensation (DIC) program.

If the surviving spouse of a retiree who dies of a service-connected cause is entitled to DIC from the Department of Veterans Affairs and if the retiree was also enrolled in SBP, the surviving spouse's SBP benefits are reduced by the amount of DIC. A pro-rata share of SBP premiums is refunded to the widow upon the member's death in a lump sum, but with no interest. This offset also affects all survivors of members who are killed on active duty.

The Coalition believes SBP and DIC payments are paid for different reasons. SBP is purchased by the retiree and is intended to provide a portion of retired pay to the survivor. DIC is a special indemnity compensation paid to the survivor when a member's service causes his or her premature death. In such cases, the VA indemnity compensation should be added to the SBP the retiree paid for, not substituted for it. It should be noted as a matter of equity that surviving spouses of federal civilian retirees who are disabled veterans and die of military-service-connected causes can receive DIC without losing any of their federal civilian SBP benefits.

The Coalition is concerned that, in authorizing the special survivor indemnity allowance in last year's NDAA, the conferees did not use the precise language proposed by this Subcommittee, but adopted a technical language change that had the effect of limiting eligibility for the new allowance to survivors of members who were either retired or in the "gray area" reserve at the time of death. That is, it excluded survivors of members who died while serving on active duty.

The Coalition believes strongly that the latter group of survivors is equally deserving of the new allowance. Some have argued that relief should be allowed only for those who paid a cash

premium in retirement. The Coalition strongly disagrees, noting that a severely injured member who dies one month after his military disability retirement and who paid one month of SBP premiums is little different than the case of a member who is more severely injured and expires more rapidly. Further, the new law authorizes coverage for "gray area" retirees who have paid no premiums, since their retired pay and SBP premiums don't begin until age 60.

But the Coalition believes the issue goes beyond any such hair-splitting. The reality is that, in every SBP/DIC case, active duty or retired, the true premium extracted by the service from both the member and the survivor was the ultimate one – the very life of the member – and that the service was what caused his or her death.

The Coalition knows that the Subcommittee is aware that the military community (and especially the survivors concerned) view the amount of the new allowance – $50 per month initially, and growing to $100 over the course of several years – as grossly inadequate. We appreciate that the Subcommittee could have elected to do nothing rather than incur the expected negative feedback about the small amount. In that regard, we applaud you for having the courage to acknowledge the inequity and take this first step, however small, to begin trying to address it.

But we also urge the Subcommittee to work hard to accelerate increases in the amount of the allowance, to send the much-needed message to these survivors who have given so much to their country that Congress fully intends to find a way to address their loss more appropriately.

The Coalition strongly urges the Subcommittee to take further action to expand eligibility for the special survivor indemnity allowance to include all SBP-DIC survivors and continue progress toward completely repealing the SBP-DIC offset for this most-aggrieved group of military widows.

Final Retired Pay Check – The Military Coalition believes the policy requiring recovery of a deceased member's final retired pay check from his or her survivor should be changed to allow the survivor to keep the final month's retired pay.

Current regulations require the survivor to surrender the final month of retired pay, either by returning the outstanding paycheck or having a direct withdrawal recoupment from her or his bank account.

The Coalition believes this is an extremely insensitive policy imposed by the government at a most traumatic time for a deceased member's next of kin. Unlike his or her active duty counterpart, a retiree's survivor receives no death gratuity. Many older retirees do not have adequate insurance to provide even a moderate financial cushion for surviving spouses. Very often, the surviving spouse already has had to spend the final month's retired pay before being notified by the military finance center that it must be returned. Then, to receive the partial month's pay of the deceased retiree up to the date of death, the spouse must file a claim for settlement – an arduous and frustrating task, at best – and wait for the military's finance center to disburse the payment. Far too often, this strains the surviving spouse's ability to meet the immediate financial obligations commensurate with the death of the average family's "bread winner."

TMC urges the Subcommittee to end the insensitive practice of recouping the final month's retired pay from the survivor of a deceased retired member.

HEALTH CARE ISSUES

The Coalition very much appreciates the Subcommittee's strong and continuing interest in keeping health care commitments to military beneficiaries. We are particularly grateful for your support for the last two years in refusing to allow the Department of Defense to implement disproportional beneficiary health fee increases.

The Coalition is more than willing to engage substantively in TRICARE fee and copay discussions with DoD. In past years, the Coalition and the Defense Department have had regular and substantive dialogues that proved very productive in facilitating reasonably smooth implementation of such major program changes as TRICARE Prime and TRICARE for Life. The objective during those good-faith dialogues has been finding a balance between the needs of the Department and the needs of beneficiaries.

It is a great source of regret to the Coalition that there has been substantively less dialogue on the more recent fee increase initiatives. From its actions, it is hard to draw any other conclusion than the Department's sole concern is to extract a specified amount of budget savings from beneficiaries. The savings are intended to come from increased revenues from higher fees and less utilization by military retirees. The Coalition and Congressional Budget Office believe that DoD's approach will not achieve the projected savings.

The unique package of military retirement benefits – of which a key component is a top-of-the-line health benefit – is the primary offset afforded uniformed service members for enduring a career of unique and extraordinary sacrifices that few Americans are willing to accept for one year, let alone 20 or 30. It is an unusual – and essential – compensation package that a grateful Nation provides for the relatively few who agree to subordinate their personal and family lives to protecting our national interests for so many years.

Full Funding for the Defense Health Program – The Coalition very much appreciates the Subcommittee's support for maintaining – and expanding where needed – the healthcare benefit for all military beneficiaries, consistent with the demands imposed upon them.

The Defense Department, Congress and The Military Coalition all have reason to be concerned about the rising cost of military health care. But it is important to recognize that the bulk of the problem is a national one, not a military-specific one. To a large extent, military health cost growth is a direct reflection of health care trends in the private sector.

It is true that many private sector employers are choosing to shift an ever-greater share of health costs to their employees and retirees. In the bottom-line-oriented corporate world, many firms see their employees as another form of capital, from which maximum utility is to be extracted at minimum cost, and those who quit are replaceable by similarly experienced new hires. But that can't be the culture in the military's closed personnel, all volunteer model, whose long-term effectiveness is utterly dependent on establishing a sense of mutual, long-term commitment between the service member and his/her country.

Some assert active duty personnel costs have increased 60% since 2001, of which a significant element is for compensation and health costs. But much of that cost increase is due to conscious decisions by Congress to correct previous shortfalls – including easing the double-digit military

"pay gap" of that era and correcting the unconscionable situation before 2001 when military beneficiaries were summarily dropped from TRICARE coverage at age 65. Additionally, much of the increase is due to the cost of war and increased optempo.

Meanwhile, the cost of basic equipment soldiers carry into battle (helmets, rifles, body armor) has increased 257% (more than tripled) from $7K to $25K since 1999. The cost of a Humvee has increased seven-fold (600%) since 2001 (from $32K to $225K).

While we have an obligation to do our best to intelligently allocate these funds, the bottom line is that maintaining the most powerful military force in the world is expensive – and doubly so in wartime.

The Coalition assumes that DoD will again propose a reduction to the defense health budget based on the assumption that Congress will approve beneficiary fee increases for FY2009 at least as large as those as outlined last year. The Coalition objects strongly to the Administration's arbitrary reduction of the TRICARE budget submission. DoD has typically overestimated its healthcare costs as evidenced by a recent GAO report on the TRICARE Reserve Select premiums. The Coalition deplores this inappropriate budget "brinksmanship", which risks leaving TRICARE significantly underfunded, especially in view of statements made for the last two years by leaders of both Armed Services Committees that the Department's proposed fee increases were excessive.

The Coalition understands only too well the very significant challenge such a large and arbitrary budget reduction would pose for this Subcommittee if allowed to stand. If the reduction is not made up, the Department almost certainly will experience a substantial budget shortfall before the end of the year. This would then generate supplemental funding needs, further program cutbacks, and likely efforts to shift even more costs to beneficiaries in future years – all to the detriment of retention and readiness.

The Coalition particularly objects to DoD's past imposition of "efficiency wedges" in the health care budget, which have nothing to do with efficiency and everything to do with imposing arbitrary budget cuts that impede delivery of needed care. We are grateful at the Subcommittee's strong action on this topic, and trusts in your vigilance to ensure that such initiatives will not be part of this year's budget process.

The Military Coalition strongly urges the Subcommittee to take all possible steps to restore the reduction in TRICARE-related budget authority and ensure continued full funding for Defense Health Program needs.

Protecting Beneficiaries Against Cost-Shifting

The Task Force on the Future of Military Health Care had a great opportunity for objective evaluation of the larger health care issues. Unfortunately, the Coalition believes the Task Force missed that mark by a substantial margin.

The bulk of its report cites statistics provided by the Defense Department and focuses discussions of cost-sharing almost solely on government costs, while devoting hardly a sentence to what the Coalition views as an equally fundamental issue – the level of health coverage that members earn by their arduous career service, the value of that service as an in-kind, up-front

premium pre-payment, and the role of lifetime health coverage as an important offset to the unique conditions of military service. The Task Force focused on what was "fair to the taxpayer" and felt the benefit should be "generous but not free".

The Task Force gave short shrift to what the Coalition sees as a fundamental point – that generations of military people have been told by their leaders that their service earned them their health care benefit, and the Defense Department and Congress reinforced that perception by sustaining flat, modest TRICARE fees over long periods of time. But now the Department and the Task Force assert that the military retirement health benefit is no longer earned by service. They now say beneficiary costs should be "restored" to some fixed share of Defense Department costs, even though no such relationship was ever stated or intended in the past. The Task Force report acknowledges that DoD cost increases over the intervening years have been inflated by military/wartime requirements, inefficiency, lack of effective oversight, structural dysfunction, or conscious political decisions by the Administration and Congress. Yet they assert that the government should foist a fixed share of those costs on beneficiaries anyway.

The Coalition believes the Task Force's fee recommendations (see charts below) – which actually propose larger fee increases than DoD had – would be highly inequitable to beneficiaries and would pose a significant potential deterrent to long-term career retention.

Current vs. Proposed TRICARE Fees
(Recommended by DoD Task Force on Future of Military Health Care)

Retiree Under Age 65, Family of Three

TRICARE Prime*	Current	Proposed
Enrollment Fee	$460	$1,090 - $2,090***
Doctor Visit Copays	$60	$125
Rx Cost Shares**	$288	$960
Yearly Cost	***$808***	***$2,175 - $3,175***

TRICARE Standard*	Current	Proposed
Enrollment Fee	$0	$120
Deductible	$300	$600 - $1,150***
Rx Cost Shares**	$288	$960
Yearly Cost	***$588***	***$1680 - $2,230***

* Fully phased-in proposal; assumes 5 doctor visits per year.
**Assumes 2 generic and 2 brand name prescriptions per month in retail pharmacy
***Includes annual medical inflation adjustment recommended by the Task Force.

Retiree Over Age 65 and Spouse

TRICARE For Life*	Current	Proposed
Medicare Part B	$2,314	$2,314
Enrollment Fee	$0	$240
Rx Cost Shares**	$396	$1,260
Yearly Cost	***$2,710***	***$3,814***

*Assumes lowest tier Medicare Part B premium for 2008.
**2 generic and 3 brand name prescriptions per month purchased at a network retail pharmacy

Currently Serving Family of Four

TRICARE Standard*	Current	Proposed
Enrollment Fee	$0	$120 (??)
Deductible	$300	$600 - $1,150***
Rx Cost Shares**	$180	$660
Yearly Cost	***$480***	***$1,260 - $1,930***

*Fully phased in proposals. Spouse and 2 children use Standard.
(??) Task Force report unclear whether enrollment fee would apply to currently serving families who elect TRICARE Standard
**Assumes 2 generic and 1 brand name prescription per month purchased at retail pharmacy.
*** Includes annual military medical inflation adjustment as recommended by the Task Force.

The Task Force cited GAO and other government reports to the effect that DoD financial statements and cost accounting systems are not auditable because of system problems and inadequate business processes and internal controls. Despite those statements, the Task Force accepted DoD data as the basis for assessing and proposing beneficiary cost-sharing percentages. The Coalition has requested information concerning the 1996 calculation and has never received an adequate accounting as to what was included in the calculation.

The Task Force refers to its fee increases as "modest" and suggests the changes would be more generous than those offered by 75% to 80% of all organizations in the private sector that offer health care benefits. The Coalition finds it telling that the Task Force would be content that 20% to 25% of US firms offer their employees – most of whom never served one day for their country – a better benefit than the Defense Department provides in return for two or three decades of service and sacrifice in uniform.

The Coalition is very grateful that Congress has expressed a much greater recognition of beneficiary perspectives, and has sought a more comprehensive examination of military health care issues. In that regard, the Coalition testimony will outline several specific concerns and address some principles that the Coalition believes need to be addressed in statute, just as there are statutory standards and guidelines for other major compensation elements – pay raises, housing and subsistence allowances, retired pay COLAs, etc.

People vs. Weapons – Defense officials have provided briefs to Congress indicating that the rising military health care costs are "impinging on other service programs." Other reports indicate that DoD leadership is seeking more funding for weapons programs by reducing the amount it spends on military health care and other personnel needs.

The Military Coalition continues to assert that such budget-driven trade-offs are misguided and inappropriate. Cutting people programs to fund weapons ignores the much larger funding problem, and only makes it worse.

The Coalition believes strongly that the proposed defense budget is too small to meet national defense needs. Today's defense budget (in wartime) is only about 4% of GDP, well short of the average for the peacetime years since WWII.

The Coalition believes strongly that America can afford to and must pay for both weapons and military health care.

Military vs. Civilian Cost-Sharing Measurement – Defense leaders assert that substantial military fee increases are needed to bring military beneficiary costs more in line with civilian practices. But merely contrasting military vs. civilian cash cost-shares is a grossly misleading, "apple-to-orange" comparison.

For all practical purposes, those who wear the uniform of their country are enrolled in a 20- to 30-year pre-payment plan that they must complete to earn lifetime health coverage. In this regard, military retirees and their families paid enormous "up-front" premiums for that coverage through their decades of service and sacrifice. Once that pre-payment is already rendered, the government cannot simply pretend it was never paid, and focus only on post-service cash payments.

The Department of Defense and the Nation – as good-faith employers of the trusting members from whom they demand such extraordinary commitment and sacrifice – have a reciprocal health care obligation to retired service members and their families and survivors that far exceeds any civilian employer's to its workers and retirees.

The Task Force on the Future of Military Health Care acknowledges that its recommendations for beneficiary fee increases, if enacted, would leave military beneficiaries with a lesser benefit than 20-25% of America's corporate employees. The pharmacy copayment schedule they propose for military beneficiaries is almost the same – and not quite as good in some cases – as the better civilian programs they reviewed.

The Coalition believes that military beneficiaries from whom America has demanded decades of extraordinary service and sacrifice have earned coverage that is the best America has to offer – not just coverage that is at the 75th percentile of corporate plans.

Large Retiree Fee Increases Can Only Hurt Retention – The reciprocal obligation of the government to maintain an extraordinary benefit package to offset the extraordinary sacrifices of career military members is a practical as well as moral obligation. Mid-career military losses can't be replaced like civilians can.

Eroding benefits for career service can only undermine long-term retention/readiness. Today's troops are very conscious of Congress' actions toward those who preceded them in service. One reason Congress enacted TRICARE For Life is that the Joint Chiefs of Staff at that time said that inadequate retiree health care was affecting attitudes among active duty troops.

The current Joint Chiefs have endorsed increasing TRICARE fees only because their political leaders have convinced them that this is the only way they can secure funding for weapons and other needs. The Military Coalition believes it is inappropriate to put the Joint Chiefs in the untenable position of being denied sufficient funding for current readiness needs if they don't agree to beneficiary benefit cuts.

Those who think retiree health care isn't a retention issue should recall a quote by then Chief of Naval Operations and now Chairman of Joint Chiefs of Staff, Admiral Mike Mullen, in a 2006 Navy Times:

> "More and more sailors are coming in married. They talk to me more about medical benefits than I ever thought to when I was in my mid-20s. I believe we've got the gold standard...for medical care right now, and that's a recruiting issue, a recruiting strength, and it's a retention strength."

That's more than backed up by two independent Coalition surveys. A 2006 Military Officers Association of America survey drew 40,000 responses, including more than 6,500 from active duty members. Over 92% in all categories of respondents opposed the DoD-proposed plan. There was virtually no difference between the responses of active duty members (96% opposed) and retirees under 65 (97% opposed). A Fleet Reserve Association survey showed similar results.

Reducing military retirement benefits would be particularly ill-advised when recruiting is already a problem and an overstressed force is at increasing retention risk.

Proposed Increases Far Exceed Inflation Increases – The increases proposed by the Administration and the Task Force are grossly out of line with TRICARE benefit levels originally enacted by Congress, even allowing for interim inflation since current fees were established.

If the $460 family Prime enrollment fee had been increased by the same Consumer Price Index (CPI) percentage increase as retired pay, it would be $642 for FY2009 – far less than either the $1512 envisioned in the FY2008 budget request or the $900-$1,700 cited by the Task Force as its ultimate target fees.

If the $300 deductible for TRICARE Standard were CPI-adjusted for the same period, it would be $419 by 2009 – far short of the $1,210 in annual deductible and new fees proposed by DoD in 2007, or the $610-$1,080 Task Force target.

Further, both the Administration and the Task Force propose adjusting beneficiary fees by medical cost growth, which has been two to three times the inflation-based increase in members' retired pay. The Task Force estimates the annual increase would be 7.5%.

Both methodologies would ensure that medical costs would consume an ever-larger share of beneficiaries' income with each passing year. The Coalition realizes that this has been happening to many private sector employees, but believes strongly that the government has a greater obligation to protect the interests of its military beneficiaries than private corporations feel for their employees.

Pharmacy copay increases proposed by the Task Force are even more disproportional. They would increase retail copays from $3 (generic), $9 (brand), and $22 (nonformulary) to $15, $25, and $45, respectively. Those represent increases of 400%, 178%, and 100%, respectively. Despite citing experience in civilian firms that beneficiary use of preferred drugs increased when their copays were reduced or eliminated, the Task Force actually proposes the highest percentage copay increases for the medications TRICARE most wants beneficiaries to use. That huge increase for retail generics flies in the face of recent commercial initiatives such as Wal-Mart's offering of many generics to the general public for a $4 copay. If the purpose is to push military beneficiaries to use Wal-Mart instead of TRICARE, it might indeed save the government some

money on those medications, but it won't make military beneficiaries feel very good about their military pharmacy benefit. And it shouldn't make Congress feel good about it, either.

The Coalition particularly questions the need for pharmacy copay increases now that Congress has approved federal pricing for the TRICARE retail pharmacy system.

Retirees Under 65 "Already Gave" 10% of Retired Pay – The large proposed health fee increases would impose a financial "double whammy" on retirees and survivors under age 65.

Any assertion that military retirees have been getting some kind of "free ride" because TRICARE fees have not been increased in recent years conveniently overlooks past government actions that have inflicted far larger financial penalties on every retiree and survivor under 65 – penalties that will grow every year for the rest of their lives.

That's because decades of past budget caps already depressed lifetime retired pay by an average of 10% for military members who retired between 1984 and 2006. For most of the 1980s and 1990s, military pay raises were capped below private sector pay growth, accumulating a 13.5% "pay gap" by 1998-99 – a gap which has been moderated since then but persists at 3.4% today.

Every member who has retired since 1984 – exactly the same under-65 retiree population targeted by the proposed TRICARE fee increases – has had his or her retired pay depressed by a percentage equal to the pay gap at the time of retirement. And that depressed pay will persist for the rest of their lives, with a proportional depression of Survivor Benefit Plan annuities for their survivors.

As a practical example, a member who retired in 1993 – when the pay gap was 11.5% – continues to suffer an 11.5% retired pay loss today. For an E-7 who retired in 1993 with 20 years of service, that means a loss of $2,000 this year and every year because the government chose to cap his military pay below the average American's. An O-5 with 20 years of service loses more than $4,300 a year.

The government has spent almost a decade making incremental reductions in the pay gap for currently serving members, but it still hasn't made up the whole gap – and it certainly hasn't offered to make up those huge losses for members already retired. Under such circumstances, it strikes the Coalition as ironic that defense officials now propose, in effect, billing those same retirees for "back TRICARE fee increases".

Fee-Tiering Scheme Is Inappropriate – Both the Administration and the Task Force have proposed multi-tiered schemes for proposed beneficiary fee increases, with the Administration's based on retired pay grade and the Task Force's based on retired pay amount. The intent of the plan is to ease opposition to the fee increases by introducing a means-testing initiative that penalizes some groups less than others.

The Coalition rejects such efforts to mask a fundamental inequity by trying to convince some groups that the inequity being imposed on them is somehow more acceptable because even greater penalties would be imposed on other groups.

Any such argument is fundamentally deceptive, since the Task Force plan envisions adjusting fee levels by medical inflation (7-8% a year), while retired pay thresholds would be adjusted by

retiree COLAs (2%-3% a year). That would guarantee "tier creep" – shifting ever greater numbers of beneficiaries into the top tier every year.

Surveys of public and private sector health coverage indicate that less than 1% of plans differentiate by salary. No other federal plan does so. The Secretary of Defense has the same coverage as any GS employee, and the Speaker of the House has the same coverage as any Representative's lowest-paid staff member.

The Coalition believes strongly that all military retirees earned equal health benefits by virtue of their career service, and that the lowest fee tier proposed by either the Administration or the Task Force would be an excessive increase for any military beneficiary (see chart at appendix A).

TRICARE for Life (TFL) Trust Fund Accrual Deposit Is Dubious Excuse – According to DoD, most of the growth in defense health spending (48%) was attributable to the establishment of the accrual accounting methodology for the TFL trust fund (which doesn't affect current outlays). The next largest contributor is medical care cost inflation (24%). Increase in usage by retirees and their dependents under age 65 accounted for 7% of the increase. Other benefit enhancements weigh in at 5% while GWOT and other factors account for the remaining 15%. However, the affect of shifting beneficiaries from military treatment facilities to the civilian network was not discussed.

When the Defense Department began arguing three years ago that the trust fund deposit was impinging on other defense programs, the Coalition and the subcommittee agreed that that should not be allowed to happen. When the Administration refused to increase the budget top line to accommodate the statutorily mandated trust fund deposit, Congress changed the law to specify that the entire responsibility for TFL trust fund deposits should be transferred to the Treasury. Subsequently, Administration budget officials chose to find a way to continue charging that deposit against the defense budget anyway.

In the Coalition's view, this represents a conscious and inappropriate Administration decision to cap defense spending below the level needed to meet national security needs. If the Administration chooses to claim to Congress that its defense budget can't meet those other needs, then Congress (which directed implementation of TFL and the trust fund deposit) has an obligation to increase the budget as necessary to meet them.

TRICARE For Life Enrollment Fee is Inappropriate – The Coalition disagrees strongly with the Task Force's recommendation to impose a new $120 annual enrollment fee for each TFL beneficiary. The Task Force report acknowledged that this would be little more than a "nuisance fee" and would be contrary to Congress' intent in authorizing TFL.

The Task Force report cites data highlighting that costs are higher for beneficiaries age 65 and older, as if neither the Administration nor Congress envisioned in 2001 that older beneficiaries might need more medications and more care.

Congress authorized TFL in 2001 in recognition that, prior to that date, most older beneficiaries had to pay for all of their care out of their own pockets after age 65, since most had been summarily ejected from any military health or pharmacy coverage. Congress also required that, to be eligible for TFL, beneficiaries must enroll in Medicare Part B, which already entails a

substantial and rapidly growing annual premium. Therefore, TRICARE only pays the portion of costs not covered by Medicare.

When the current Administration came to office in 2001, military and civilian Defense leaders praised TRICARE For Life, as enacted, as an appropriate benefit that retirees had earned and deserved for their career service. The Coalition asks, "What has changed in the six intervening years of war that has somehow made that service less meritorious?"

Alternative Options to Make TRICARE More Cost-Efficient – The Coalition continues to believe strongly that the Defense Department has not sufficiently investigated other options to make TRICARE more cost-efficient without shifting costs to beneficiaries. The Coalition has offered a long list of alternative cost-saving possibilities, including:

- Promote retaining other health insurance by making TRICARE a true second-payer to other insurance (far cheaper to pay another insurance's copay than have the beneficiary migrate to TRICARE).
- Reduce or eliminate all mail-order co-payments to boost use of this lowest-cost venue.
- Change electronic claim system to kick back errors in real time to help providers submit "clean" claims, reduce delays/multiple submissions.
- Size and staff military treatment facilities (least costly care option) in order to reduce reliance on non-MTF civilian providers.
- Promote programs to offer special care management services and zero copays or deductibles to incentivize beneficiaries to take medications and seek preventive care for chronic or unusually expensive conditions.
- Promote improved health by offering preventive and immunization services (e.g., shingles vaccine, flu shots) with no copay or deductible.
- Authorize TRICARE coverage for smoking cessation products and services (it's the height of irony that TRICARE currently doesn't cover these programs that have been long and widely acknowledged as highly effective in reducing long-term health costs).
- Reduce long-term TRICARE Reserve Select costs by allowing members the option of a government subsidy (at a cost capped below TRS cost) of civilian employer premiums during periods of mobilization.
- Promote use of mail-order pharmacy system via mailings to users of maintenance medications, highlighting the convenience and individual expected cost savings
- Encourage retirees to use lowest-cost-venue military pharmacies at no charge, rather than discouraging such use by limiting formularies, curtailing courier initiatives, etc.

The Coalition is pleased that the Defense Department has begun to implement at least some of our past suggestions, and stands ready to partner with DoD to investigate and jointly pursue these or other options that offer potential for reducing costs.

TRICARE Still Has Significant Shortcomings – While DoD chooses to focus its attention on the cost of the TRICARE program to the government, the Coalition believes there is insufficient acknowledgement that thousands of providers and beneficiaries continue to experience significant problems with TRICARE. Beneficiaries at many locations, particularly those lacking large military populations, report difficulty in finding providers willing to participate in the program. Doctors complain about the program's low payments and administrative hassles. Withdrawal of providers from TRICARE networks at several locations has generated national publicity.

Of particular note is a 2007 GAO survey of Guard and Reserve personnel, also cited by the DoD Task Force on the Future of Military Health Care, in which almost one-third of respondents reported having difficulty obtaining assistance from TRICARE, and more than one-fourth reported difficulty in finding a TRICARE-participating provider.

And that problem is getting worse rather than better. The Task Force report stated that all military beneficiary categories report more difficulty than civilians in accessing care, and that military beneficiaries' reported satisfaction with access to care declined from 2004 to 2006. The problem is exacerbated in areas like Alaska where a combination of physician shortages and an unwillingness to take TRICARE make it very difficult to find a physician.

The Coalition urges the Subcommittee to require DoD to pursue greater efforts to improve TRICARE and find more effective and appropriate ways to make TRICARE more cost-efficient without seeking to "tax" beneficiaries and make unrealistic budget assumptions.

TMC Healthcare Cost Principles – The Military Coalition believes strongly that the current fee controversy is caused in part by the lack of any statutory record of the purpose of military health benefits and the degree to which cost adjustments are or should be allowable. Under current law, the Secretary of Defense has broad latitude to make administrative adjustments to fees for TRICARE Prime and the pharmacy systems. As a practical matter, the Armed Services Committees can threaten to change the law if they disapprove of the Secretary's initiatives. But absent such intervention, the Secretary can choose not to increase fees for years at a time or can choose to quadruple fees in one year.

Until recently, this was not a particular matter of concern, as no Secretary had previously proposed dramatic fee increases. Given recent years' precedents, the Coalition believes strongly that the Subcommittee needs to establish more specific and permanent principles, guidelines, and prohibitions to protect against dramatic administrative fluctuations in this most vital element of service members' career compensation incentive package.

Other major elements of the military compensation package have much more specific standards in permanent law. There is a formula for the initial amount of retired pay and for subsequent annual adjustments. Basic pay raises are tied to the Employment Cost Index, and housing and food allowances are tied to specific standards as well.

A 2006 survey of military retirees indicates that 65% of retirees under 65 have access to private health insurance. What the Task Force report does not measure is the percent of retirees that do not embark on a second career and thus depend solely on their retirement income. If fees are allowed to be tiered, up to one third of retirees could see a large portion of their retirement eaten up by healthcare costs.

The Coalition most strongly recommends Rep. Chet Edwards' and Rep. Walter Jones' H.R. 579 and Sen. Frank Lautenberg's and Sen. Chuck Hagel's S. 604 as models to establish statutory findings, a sense of Congress on the purpose and principles of military health care benefits, and explicit guidelines for and limitations on adjustments.

- ***Active duty members and families should be charged no fees except retail pharmacy co-payments, except to the extent they make the choice to participate in TRICARE Standard or use out-of-network providers under TRICARE Prime.***
- ***For retired and survivor beneficiaries, the percentage increase in fees, deductibles, and co-payments that may be considered in any year should not exceed the percentage increase beneficiaries experience in their compensation.***
- ***The TRICARE Standard inpatient copay should not be increased further for the foreseeable future. At $535 per day, it already far exceeds inpatient copays for virtually any private sector health plan.***
- ***There should be no enrollment fee for TRICARE Standard or TIRCARE For Life (TFL), since neither offers assured access to TRICARE-participating providers. An enrollment fee implies enrollees will receive additional services, as Prime enrollees are guaranteed access to participating providers in return for their fee. Congress already has required TFL beneficiaries to pay substantial Medicare Part B fees to gain TFL coverage.***
- ***There should be one TRICARE fee schedule for all retired beneficiaries, just as all legislators, Defense leaders and other federal civilian grades have the same health fee schedule. The TRICARE schedule should be significantly lower than the lowest tier recommended by the Defense Department, recognizing that all retired members paid large up-front premiums for their coverage through decades of arduous service and sacrifice.***

TRICARE Standard Enrollment – Last year, the Department of Defense proposed requiring beneficiaries to take an additional step of signing an explicit statement of enrollment in TRICARE Standard. The Department proposed a one-time $25 enrollment fee. The Task Force on the Future of Military Health Care also endorsed enrollment, and proposed an annual enrollment fee of $120.

The proposals are based on three main arguments:

- Enrollment is needed to define the population that will actually use the program
- Enrollment would allow more accurate budgeting for program needs
- The fee would help offset DoD's cost of implementing the enrollment system (DoD rationale) and "impose some personal accountability for health care costs" (Task Force rationale).

The Coalition believes none of these arguments stands up to scrutiny.

Department officials already know exactly which beneficiaries use TRICARE Standard. They have exhaustive records on what doctors they've seen and what medications they've used on what dates and for what conditions. They already assess trends in beneficiary usage and project the likely effect on those trends for current and future years – such as the effect of changes in private employer changes on the likely return of more beneficiaries to the TRICARE system.

The Defense Department does not have a good record on communicating policy changes to Standard beneficiaries. That means large numbers of beneficiaries won't get the word, or appreciate the full impact if they do get it. They have always been told that their eligibility is based on the DEERS system. A single, bulk-mail communication can't be expected to overwrite decades of experience.

Hard experience is that many thousands of beneficiaries would learn of the requirement only when their TRICARE Standard claims are rejected for failure to enroll. Some would involve claims for cancer, auto accidents and other situations in which it would be unacceptable to deny claims because the beneficiary didn't understand an administrative rule change. DoD administrators who casually dismiss this argument as involving a relative minority of cases see the situation much differently if they found their family in that situation – as hundreds or thousands of military families certainly would.

Inevitably, most beneficiaries who do receive and understand the implications of an enrollment requirement will enroll simply "to be safe", even if their actual intent is to use VA or employer-provided coverage for primary care – thus undercutting the argument that enrollment would increase accuracy of usage projections.

The arguments for a Standard enrollment fee also don't hold water. First, it's inequitable to make beneficiaries pay a fee to cover the cost of an enrollment system that's established solely for the benefit and convenience of the government, with no benefit whatsoever for the beneficiary. Second, the Task Force acknowledges that a $120 fee is more a "nuisance fee" than a behavior modifier, and existing deductibles and copays provide a much more immediate "accountability" sense to the beneficiary. Third and most important, one who pays an enrollment fee expects something extra in return for the fee. An enrollment fee for TRICARE Prime is reasonable, because it buys the beneficiary guaranteed access to a participating provider. TRICARE Standard provides no such guarantee, and in some locations it's very difficult for beneficiaries to find a TRICARE provider.

For all these reasons, establishing an enrollment requirement will neither better define the user population nor better define budget needs.

The Coalition believes the real intent of the enrollment proposal is simply to reduce TRICARE costs by allowing DoD to reject payment for any claims by beneficiaries who fail to enroll.

To the extent any enrollment requirement may still be considered for TRICARE Standard, such enrollment should be automatic for any beneficiary who files a TRICARE claim. Establishing an enrollment requirement must not be allowed to become an excuse to deny claims for members who are unaware of the enrollment requirement.

The Coalition strongly recommends against establishment of any TRICARE Standard enrollment system; to the extent enrollment may be required, any beneficiary filing a claim should be enrolled automatically, without denying the claim. No enrollment fee should be charged for TRICARE Standard until and unless the program offers guaranteed access to a participating provider.

Private Employer Incentive Restrictions – Current law, effective January 1, 2008, bars private employers from offering incentives to TRICARE-eligible employees to take TRICARE in lieu of employer-sponsored plans. This law is well-intended, but inadvertently imposes unfair penalties on many employees of companies that are not, in fact, attempting to shift costs to TRICARE.

The Armed Services Committees have tasked the Secretary of Defense for a report on the issue, which may not protect current beneficiaries and, even with a favorable response, in no way restricts future Secretaries of Defense who may impose a strict interpretation of the law.

In the meantime, Coalition associations have heard from hundreds of TRICARE beneficiaries whose civilian employers are using the new law to bar equal payments to TRICARE beneficiaries that are available to other company employees (e.g., if the company offers $100 per month to any employee who uses insurance available through a spouse's coverage or a previous employer).

TRICARE coverage is an extremely important career benefit that is earned by decades of service in uniform. TMC believes it is contradictory to the spirit of this earned benefit to impose statutory provisions that deny access to TRICARE by those who have earned it or that deny TRICARE beneficiaries the same options available to non-TRICARE beneficiaries who work for the same civilian employer.

The Coalition recommends Congress modify the law restricting private employer TRICARE incentives to explicitly exempt employers who offer only cafeteria plans (i.e., cash payments to all employees to purchase care as they wish) and employers who extend specific cash payments to any employee who uses health coverage other than the employer plan (e.g., FEHBP, TRICARE, or commercial insurance available through a spouse or previous employer).

TRICARE Standard Improvements – The Coalition very much appreciates the Subcommittee's continuing interest in the specific problems unique to TRICARE Standard beneficiaries. In particular, we applaud your efforts to expand TRICARE Standard provider and beneficiary surveys and establish Standard support responsibilities for TRICARE Regional Offices. These are needed initiatives that should help make it a more effective program. We remain concerned, however, that more remains to be done. TRICARE Standard beneficiaries need assistance in finding participating providers within a reasonable time and distance from their home. This will become increasingly important with the expansion of TRICARE Reserve Select, as these individuals are most likely not living within a Prime Service Area.

Provider Participation Adequacy – We are pleased that Congress added the requirement to survey beneficiaries in addition to providers. The Coalition believes this will help correlate beneficiary inputs with provider inputs for a more accurate view of participation by geographic location.

The Coalition is concerned that DoD has not yet established any standard for the adequacy of provider participation. Participation by half of the providers in a locality may suffice if there is not a large Standard beneficiary population. The Coalition hopes to see an objective participation standard (perhaps number of beneficiaries per provider) that would help shed more light on which locations have participation shortfalls of Primary Care Managers and Specialists that require positive action.

The Coalition is grateful to the Subcommittee for provisions in the FY2008 NDAA that will require DoD to establish benchmarks for participation adequacy and follow-up reports on actions taken.

The Coalition urges the Subcommittee to continue monitoring DoD and GAO reporting on provider participation to ensure proper follow-on action.

Administrative Deterrents to Provider Participation – The Coalition is pleased that Congress has directed DoD to modify current claims procedures to be identical to those of Medicare. We look forward to implementation with the next generation of Managed Care Support Contracts. Feedback from providers indicates TRICARE imposes additional administrative requirements on providers that are not required by Medicare or other insurance plans. On the average, about 50 percent of a provider's panel is Medicare patients, whereas only two percent are TRICARE beneficiaries. Providers are unwilling to incur additional administrative expenses that affect only a small number of patients. Thus, providers are far more prone to non-participation in TRICARE than in Medicare.

TRICARE still requires submission of a paper claim to determine medical necessity on a wide variety of claims for Standard beneficiaries. This thwarts efforts to encourage electronic claim submission and increases provider administrative expenses and delays receipt of payments. Examples include speech therapy, occupational/physical therapy, land or air ambulance service, use of an assistant surgeon, nutritional therapy, transplants, durable medical equipment, and pastoral counseling.

Another source of claims hassles and payment delays involve cases of third party liability (e.g., auto insurance health coverage for injuries incurred in auto accidents). Currently, TRICARE requires claims to be delayed pending receipt of a third-party-liability form from the beneficiary. This often delays payments for weeks and can result in denial of the claim (and non-payment to the provider) if the beneficiary doesn't get the form in on time. Recently, a major TRICARE claims processing contractor recommended that these claims should be processed regardless of diagnosis and that the third-party-liability questionnaire should be sent out after the claim is processed to eliminate protracted inconvenience to the provider of service.

Additionally, changes to the TRICARE pharmacy formulary are becoming increasingly burdensome for providers. The number of medications added to non-formulary status ($22 copay) has increased tremendously, and changing prescriptions has added to the providers' workload, as have increases in prior-authorization (Step Therapy) requirements. The increase in the number of third tier drugs and DoD's reliance on pharmacy medical necessity requests has increased provider workload to the extent that many now charge beneficiaries extra to complete this form. For others, it's yet another TRICARE-unique administrative hassle that makes them less likely to agree to see TRICARE beneficiaries.

The Coalition urges the Subcommittee to continue its efforts to reduce administrative impediments that deter providers from accepting TRICARE patients.

TRICARE Reimbursement Rates – Physicians consistently report that TRICARE is virtually the lowest-paying insurance plan in America. Other national plans typically pay providers 25-33% more. In some cases the difference is even higher.

While TRICARE rates are tied to Medicare rates, TRICARE Managed Care Support Contractors make concerted efforts to persuade providers to participate in TRICARE Prime networks at a further discounted rate. Since this is the only information providers receive about TRICARE, they see TRICARE as even lower-paying than Medicare.

This is exacerbated by annual threats of further reductions in TRICARE rates due to the statutory Medicare rate-setting formula. Doctors are unhappy enough about reductions in Medicare rates, and many already are reducing the number of Medicare patients they see.

But the problem is even more severe with TRICARE, because TRICARE patients typically comprise a small minority of their beneficiary caseload. Physicians may not be able to afford turning away large numbers of Medicare patients, but they're more than willing to turn away a small number of patients who have low-paying, high-administrative-hassle TRICARE coverage.

Congress has acted to avoid Medicare physician reimbursement cuts for the last four years, but the failure to provide a payment increase for 2006 and 2007 was another step in the wrong direction, according to physicians. Further, Congress still has a long way to go in order to fix the underlying reimbursement determination formula.

Correcting the statutory formula for Medicare and TRICARE physician payments to more closely link adjustments to changes in actual practice costs and resist payment reductions is a primary and essential step. We fully understand that is not within the purview of this Subcommittee, but we urge your assistance in pressing the Ways and Means and Finance Committees for action.

In the meantime, the rate freeze for 2006 and 2007 along with a small increase for the first part of 2008 makes it even more urgent to consider some locality-based relief in TRICARE payment rates, given that doctors see TRICARE as even less attractive than Medicare. Additionally, the Medicare pay package that was enacted in Public Law 109-432 included a provision for doctors to receive a 1.5 percent bonus next year if they report a basic set of quality-of-care measures. The TRICARE for Life beneficiaries should not be affected as their claims are submitted directly to Medicare and should be included in the physicians' quality data. But there's been no indication that TRICARE will implement the extra increases for treating beneficiaries under 65, and this could present a major problem. If no such bonus payment is made for TRICARE Standard patients, then TRICARE will definitely be the lowest payer in the country and access could be severely decreased.

The TRICARE Management Activity has the authority to increase the reimbursement rates when there is a provider shortage or extremely low reimbursement rate for a specialty in a certain area and providers are not willing to accept the low rates. In some cases a state Medicaid reimbursement for a similar service is higher than that of TRICARE. As mentioned previously, the Department has been reluctant to establish a standard for adequacy of participation and should use survey data to apply adjustments nationally.

The Coalition urges the Subcommittee to exert what influence it can to persuade the Ways and Means/Finance Committees to reform Medicare/TRICARE statutory payment formula. To the extent the Medicare rate freeze continues, we urge the Subcommittee to encourage the Defense Department to use its reimbursement rate adjustment authority as needed to sustain provider acceptance.

The Coalition urges the Subcommittee to require a Comptroller General report on the relative propensity of physicians to participate in Medicare vs. TRICARE, and the likely effect on such relative participation of a further freeze in Medicare/TRICARE physician payments along with the affect of an absence of bonus payments.

Minimize Medicare/TRICARE Coverage Differences – A 2006 DoD report to Congress contained the coverage differences between Medicare and TRICARE. The report showed that there are at least a few services covered by Medicare that are not covered by TRICARE. These include an initial physical at age 65, chiropractic coverage, respite care, and certain hearing tests. We believe TRICARE coverage should at least equal Medicare's in every area and include recommended preventive services at no cost. As an example, the Army Medical department has implemented the "Adult Pneumovax" program and projects savings of $500 per vaccine given.

Our military retirees deserve no less coverage than is provided to other federal beneficiaries.

The Coalition urges the Subcommittee to align TRICARE coverage to at least match that offered by Medicare in every area and provide preventive services at no cost.

National Guard and Reserve Healthcare

The Coalition is grateful to the Subcommittee for its leadership in extending lower-cost TRICARE eligibility to all drilling National Guard and Reserve members. This was a major step in acknowledging that the vastly increased demands being placed on Selected Reserve members and families needs to be addressed with adjustments to their military compensation package.

While the Subcommittee has worked hard to address the primary health care hurdle, there are still some areas that warrant attention.

TRICARE Reserve Select (TRS) Premium – The Coalition believes the premium-setting process for this important benefit needs to be improved and was incorrectly based upon the basic Blue Cross Blue Shield option of the FEHBP. This adjustment mechanism has no relationship either to the Department's military health care costs or to increases in eligible members' compensation.

When the program was first implemented, the Coalition urged DoD to base premiums (which were meant to cover 28% of program costs) on past TRICARE Standard claims data to more accurately reflect costs. Now a GAO study has confirmed that DoD's use of Blue Cross Blue Shield data and erroneous projections of participation resulted in substantially overcharging beneficiaries.

GAO found that DoD projected costs of $70M for FY05 and $442M for FY06, whereas actual costs proved to be $5M in FY05 and about $40M in FY06. GAO found that DoD estimates were 72% higher than the average single member cost and 45% higher than average family cost. If DoD were to have used actual FY06 costs, the annual individual premium would have been $48/month instead of $81/month. The corresponding family premium would have been $175/month instead of $253/month.

GAO recommended that DoD stop basing TRS premiums on Blue Cross Blue Shield adjustments and use the actual costs of providing the benefit. DoD concurred with the recommendations and says, "it remains committed to improving the accuracy of TRS premium projections." However, GAO observed that DoD has made no commitment to any timetable for change.

The Coalition believes our obligation to restrain health cost increases for Selected Reserve members who are periodically being asked to leave their families and lay their lives on the line for their country is should be even greater than our obligation to restrain government cost increases. These members deserve better than having their health premiums raised arbitrarily by a formula that has no real relationship to them.

The Coalition believes strongly that TRS premiums should be reduced immediately to $48/month (single) and $175/month (family), with retroactive refunds to those who were overcharged in the past.

For the future, as a matter of principle, the Coalition believes that TRS premiums should not be increased in any year by a percentage that exceeds the percentage increase in basic pay.

The Coalition also is concerned that members and families enrolled in TRS are not guaranteed access to TRICARE-participating providers and are finding it difficult to locate providers willing to take TRICARE. As indicated earlier in this testimony, the Coalition believes that members who are charged a fee for their health coverage should be able to expect assured access, and hopes the Subcommittee will explore options for assuring such access for TRS enrollees.

The Coalition recommends reducing TRS premiums to $48/month (single) and $175/month (family), as envisioned by the GAO, with retroactive refunds as appropriate. For the future, the percentage increase in premiums in any year should not exceed the percentage increase in basic pay.

The Coalition further recommends that the Subcommittee request a report from the Department of Defense on options to assure TRS enrollees' access to TRICARE-participating providers.

Private Insurance Premium Option – The Coalition thanks Congress for authorizing subsidy of private insurance premiums for reservists called to active duty in cases where a dependent possesses a special health care need that would be best met by remaining in the member's civilian health plan.

The Coalition believes Congress is missing an opportunity to reduce long-term health care costs by failing to authorize eligible members the option of electing a partial subsidy of their civilian insurance premiums during periods of mobilization. Current law already authorizes payment of up to 24 months of FEHBP premiums for mobilized members who are civilian employees of the Defense Department.

Congress directed GAO to review this issue and submit a report in April 2007 – a report that, to our knowledge, has not been completed. We hope that report will address not only the current wartime situation, but the longer-term peacetime scenario. Over the long term, when Guard and Reserve mobilizations can be expected at a considerably lower pace, the Coalition believes subsidizing continuation of employer coverage during mobilizations periods offers considerable savings opportunity relative to funding year-round family TRICARE coverage while the member is not deployed.

In fact, the Department could calculate a maximum monthly subsidy level that would represent a cost savings to the government, so that each member who elected that option would reduce TRICARE costs.

The Coalition recommends developing a cost-effective option to have DoD subsidize premiums for continuation of a Reserve employer's private family health insurance during periods of deployment as an alternative to permanent TRICARE Reserve Select coverage.

Involuntary Separatees – The Coalition believes it is unfair to deny TRS coverage for Individual Ready Reserve (IRR) members who have returned from deployment or terminate coverage for returning members who are involuntarily separated from the Selected Reserve (other than for cause).

The Coalition recommends authorizing one year of post- Transitional Assistance Management Program (TAMP) TRS coverage for every 90 days deployed in the case of returning members of the IRR or members who are involuntarily separated from the Selected Reserve. The Coalition further recommends that voluntarily separating Reservists subject to disenrollment from TRS should be eligible for participation in the Continued Health Care Benefits Program (CHCBP).

Gray Area Reservists – The Coalition is sensitive that Selected Reserve members and families have one remaining "hole" in their military health coverage. They are eligible for TRS while currently serving in the Selected Reserve, then lose coverage while in "Gray area" retiree status, then regain full TRICARE eligibility at age 60.

The Coalition believes some provisions should be made to allow such members to continue their TRICARE coverage in gray area status. Otherwise, we place some members at risk of losing family health coverage entirely when they retire from the Selected Reserve. We understand that such coverage likely would have to come with a higher premium.

The Coalition urges the Subcommittee to authorize an additional premium-based option under which members entering "gray area" retiree status would be able to avoid losing health coverage.

Reserve Dental Coverage – The Coalition remains concerned about the dental readiness of the Reserve forces. Once these members leave active duty, the challenge increases substantially, so the Coalition believes the services should at least facilitate correction of dental readiness issues identified while on active duty. DoD should be fiscally responsible for dental care to Reservists to ensure service members meet dental readiness standards when DoD facilities are not available within a 50 mile radius of the members' home for at least 90 days prior and 180 days post mobilization.

The Coalition supports providing dental coverage to Reservists for 90 days pre- and 180 days post-mobilization (during TAMP), unless the individual's dental readiness is restored to T-2 condition before demobilization.

Consistent Benefit

As time progresses and external changes occur, we are made aware of pockets of individuals who for one reason or another are denied the benefits that they should be eligible for. DoD and its health contractors were leaders in modifying policy and procedures to assist Katrina victims. Additionally, Congress' action to extend eligibility for TRICARE Prime coverage to children of deceased active duty members was truly the right thing to do.

Restoration of Survivors' TRICARE Coverage – When a TRICARE-eligible widow/widower remarries, he/she loses TRICARE benefits. When that individual's second marriage ends in death or divorce, the individual has eligibility restored for military ID card benefits, including SBP coverage, commissary/exchange privileges, etc. – with the sole exception that TRICARE eligibility is not restored.

This is out of line with other federal health program practices, such as the restoration of CHAMPVA eligibility for survivors of veterans who died of service-connected causes. In those cases, VA survivor benefits and health care are restored upon termination of the remarriage.

Remarried surviving spouses deserve equal treatment.

The Coalition recommends restoration of TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

TRICARE Prime Remote Exceptions – Longer deployments and sea/shore and overseas assignment patterns leave many military families faced with tough decisions. A spouse and children may find a greater level of support by residing with or near relatives during extended separations from the active duty spouse. DoD has the authority to waive the requirement for the spouse to reside with the service member for purposes of TRICARE Prime Remote eligibility if the service determines special circumstances warrant such coverage. We remain concerned about the potential for inconsistent application of eligibility. The special authority is a step in the right direction, but there is a wide variety of circumstances that could dictate a family separation of some duration, and the Coalition believes each family is in the best situation to make its own decision.

The Coalition recommends removal of the requirement for the family members to reside with the active duty member to qualify for the TRICARE Prime Remote Program, when the family separation is due to a military-directed move or deployment.

BRAC, Re-Basing, and Relocation – Relocation from one geographic region to another and base closures brings multiple problems. A smooth health care transition is crucial to the success of DoD and Service plans to transform the force.. And that means ensuring a robust provider network and capacity is available to all beneficiary populations, to include active and reserve component and retirees and their family members, and survivors at both closing and gaining installations. It is incumbent upon the Department and its Managed Care Support Contractors to ensure smooth beneficiary transition from one geographic area to another. We stress the importance of coordination of construction and funding in order to maintain access and operations while the process takes place.

The Coalition recommends codifying the requirement to provide a TRICARE Prime network at all areas impacted by BRAC or rebasing. Additionally, we recommend that DoD be required to provide an annual report to Congress on the adequacy of health resources, services, quality and access of care for those beneficiary populations affected by transformation plans.

Pharmacy

The TRICARE Pharmacy benefit must remain strong to meet the pharmaceutical needs of millions of military beneficiaries. While we are pleased at the overall operation of the program, the Coalition has significant concerns about certain recent trends.

Beneficiary Migration – One issue highlighted by the Task Force report is that a large share of the growth in retail pharmacy use has been the result of beneficiaries migrating from military treatment facilities to local retail pharmacies. In that regard, the number of beneficiaries using only military pharmacies declined by 900,000 between FY02 and FY07, whereas the number of beneficiaries using only retail pharmacies increased by about 1,000,000 in the same period.

Some of the shift is because enactment of TFL and TSRx meant that Medicare beneficiaries who live some distance from military installations no longer have to make long treks to the military pharmacy.

But the change also coincides with the onset of increased wartime deployments and installation security measures. The deployment of large numbers of military medical professionals has forced shifting more beneficiaries of all kinds to see civilian providers, which reduces proximity access to the military pharmacy and ease the convenience of using retail stores. Increased installation security measures also increase the "hassle factor" for retirees to use on-base facilities. Finally, local budget pressures and DoD "core formulary" guidance removes many medications from the installation formulary that retirees use, leaving many no choice but to use alternative venues.

Coalition associations have heard anecdotal reports that some local commanders have actively discouraged retirees from using the military pharmacies, primarily for budget savings purposes. What's worse is that MTFs have failed to educate beneficiaries of the next most cost-effective venue – the TRICARE Mail Order Pharmacy (TMOP).

The point is that it is inappropriate to punish beneficiaries (through higher retail copayments) for migration that may be dictated more by military operational and budget requirements than by retiree preferences.

Pharmacy Co-payment Changes – The Coalition thanks the Subcommittee for freezing pharmacy co-payments for FY08. The Coalition believes strongly that uniformed services beneficiaries deserve more stability in their benefit levels, and that DoD has not performed due diligence in exploring other ways to reduce pharmacy costs without shifting such increased expense burdens to beneficiaries. The DoD Health Care Task Force would dramatically raise most military pharmacy copays. For example, they'd raise the copay for generic drugs purchased in retail pharmacies from the current $3 to $15. But Wal-Mart is now dispensing generic drugs to the general public for $4. Shouldn't the military pharmacy benefit be better than what civilians can get through Wal-Mart?

One important consideration in the mail-order-vs.-retail discussion is that some medications are simply not appropriate or available for delivery through the TMOP. If the purpose of imposing higher retail copays is to incentivize beneficiaries to use military or mail-order pharmacies, application of this philosophy is inappropriate when the beneficiary has no access to those lower-cost venues.

The Coalition believes any further discussion of pharmacy copayment increases should be deferred pending review of the implications of requiring federal pricing in the retail system. We believe that this action by Congress in the FY2008 has shifted the dynamic of pharmacy costs, and that the primary cost differential may no longer be the venue of dispensing.

Rather, the Coalition urges the Subcommittee to consider the findings of RAND, Pharma, and others cited by the Task Force that considerable cost savings can be gained by establishing positive motivations for beneficiaries with chronic diseases to take any of the medications – regardless of generic, brand, or nonformulary – that reduce the adverse effects of their conditions over the long term. Those steps included eliminating copays for the lowest-cost and most effective medications, reducing copays for some effective nonformulary medications, and reducing prior authorization requirements that impede beneficiaries from using the medications they and their doctors believe are best for them.

We note with regret that the Department has declined to comply with the Subcommittee's urging to eliminate copayments for generic medications in the mail-order system – a recommendation echoed by the Task Force. In this case, the administrative cost of processing the co-pay actually wipes out a large percentage of the co-pay revenue.

The Coalition believes pharmacy cost growth concerns have missed the mark by focusing on current-year dollars rather than long-term effects. For example, the Task Force report highlights as part of the cost "problem" that some drugs, including medications to treat diabetes, grew more than 15% in a single year. Viewed in terms of long-term effects, it's a good thing to identify patients who have diabetes and a good thing for diabetes patients to take their medications. So growing use (and cost) of medications for such chronic diseases is a positive, not a negative, and the copay structure should be remodeled to incentivize beneficiaries and make it as easy as possible for them to take whatever medication will mitigate the effects of their condition through whatever venue they are most likely to be satisfied with and therefore will be most likely to take their medications.

The Coalition recommends deferral of any pharmacy copay increases pending assessment of the effects of the new federal pricing law on usage and cost patterns for the different venues, and that the Subcommittee instead urge DoD to pursue copay reductions and ease prior authorization requirements for medications for chronic diseases, based on private sector experience that such initiatives reduce long-term costs associated with such diseases.

Rapid Expansion of "Third Tier" Formulary – The Coalition very much appreciated the efforts of the Subcommittee to protect beneficiary interests by establishing a statutory requirement for a Beneficiary Advisory Panel (BAP) to give beneficiary representatives an opportunity in a public forum to voice our concerns about any medications DoD proposes moving to the third tier ($22 co-pay). We were further reassured when, during implementation

planning, Defense officials advised the BAP that they did not plan on moving many medications to the third tier.

Unfortunately, this has not been the case. To date, DoD has moved over 90 medications to the third tier. While the BAP did not object to most of these, the BAP input has been universally ignored in the small number of cases when it recommended against a proposed reclassification. The Coalition is also concerned that the BAP has been denied access to information on relative costs of the drugs proposed for reclassification and the Defense Department has established no mechanism to provide feedback to the BAP on why its recommendations are being ignored.

The Coalition believes the Subcommittee envisioned that the BAP would be allowed substantive input in the Uniform Formulary decision process, but that has not happened. In fact, BAP discussion issues and recommendations (other than the final vote tallies) are routinely excluded from information provided to the Assistant Secretary of Defense (Health Affairs) for decision-making purposes, and there has been no formal feedback to the BAP on the reasons why their recommendations were not accepted.

Although the Subcommittee has tasked GAO for a report on the effectiveness of the BAP process, that report has not been issued to date.

The Coalition urges the Subcommittee to reassert its intent that the Beneficiary Advisory Panel should have a substantive role in the formulary-setting process, including access to meaningful data on relative drug costs in each affected class, consideration of all BAP comments in the decision-making process, and formal feedback concerning rationale for rejection of BAP recommendations.

TRICARE Prime and MCSC Issues

DoD and its health contractors are continually trying to improve the level of TRICARE Prime service. We appreciate their inclusion of Coalition associations in their process improvement activities and will continue to partner with them to ensure the program remains beneficiary-focused and services are enhanced, to include: beneficiary education, network stability, service level quality, uniformity of benefit between regions (as contractors implement best business practices), and access to care.

Referral and Authorization System – There has been much discussion and consternation concerning the Enterprise Wide Referral and Authorization (EWRAS) system. Much time, effort and money have been invested in a program that has not come to fruition. Is adding to the administrative paperwork requirements and forcing the civilian network providers into a referral system really accomplishing what DoD set out to do? Rather than forcing unique referral requirements on providers, perhaps DoD should look at expanding its Primary care base in the Prime Service Areas and capture the workload directly.

The Coalition recommends that Congress require a cost analysis report, including input from each Managed Care Support Contractor, concerning the referral process within DoD and reliance on Civilian Network Providers within an MTF's Prime Service Area.

Health-Related Tax Law Changes

The Coalition understands fully that tax law changes are not within the Subcommittee's jurisdiction. However, there are numerous military-specific tax-related problems that are unlikely to be addressed without the Subcommittee's active advocacy and intervention with members and leaders of the Ways and Means Committee.

Deductibility of Health and Dental Premiums – Many uniformed services beneficiaries pay annual enrollment fees for TRICARE Prime, TRICARE Reserve Select, and premiums for supplemental health insurance, such as a TRICARE supplement, the TRICARE Dental and Retiree Dental Plans, or for long-term care insurance. For most military beneficiaries, these premiums are not tax-deductible because their annual out-of-pocket costs for healthcare expenses do not exceed 7.5% of their adjusted gross taxable income.

In 2000, a Presidential directive allowed Federal employees who participate in FEHBP to have premiums for that program deducted from their pay on a pre-tax basis. A 2007 court case extended similar pre-tax premium payment eligibility to certain retired public safety officers. Similar legislation for all active, reserve, and retired military and federal civilian beneficiaries would restore equity with private sector employees and retired public safety officers.

The Coalition urges all Armed Services Committee members to seek the support of the Ways and Means and Finance Committees to approve legislation to allow all military beneficiaries to pay TRICARE-related insurance premiums in pre-tax dollars, to include TRICARE dental premiums, TRICARE Reserve Select premiums, TRICARE Prime enrollment fees, premiums for TRICARE Standard supplements, and long-term care insurance premiums.

CONCLUSION

The Military Coalition reiterates its profound gratitude for the extraordinary progress this Subcommittee has made in advancing a wide range of personnel and health care initiatives for all uniformed services personnel and their families and survivors. The Coalition is eager to work with the Subcommittee in pursuit of the goals outlined in our testimony. Thank you very much for the opportunity to present the Coalition's views on these critically important topics.

Colonel Steven P. Strobridge, USAF (Retired)
Director, Government Relations, Military Officers Association of America (MOAA); and
Co-Chairman, The Military Coalition

Steven P. Strobridge, a native of Vermont, is a 1969 graduate from Syracuse University. Commissioned through ROTC, he was called to active duty in October 1969.

After several assignments as a personnel officer and commander in Texas, Thailand, and North Carolina, he was assigned to the Pentagon from 1977 to 1981 as a compensation and legislation analyst at Headquarters USAF. While in this position, he researched and developed legislation on military pay, health care, retirement and survivor benefits issues.

In 1981, he attended the Armed Forces Staff College in Norfolk, VA, en route to a January 1982 transfer to Ramstein AB, Germany. Following assignments as Chief, Officer Assignments and Assistant for Senior Officer Management at HQ, U.S. Air Forces in Europe, he was selected to attend the National War College at Fort McNair, DC in 1985.

Transferred to the Office of the Secretary of Defense upon graduation in June 1986, he served as Deputy Director and then as Director, Officer and Enlisted Personnel Management. In this position, he was responsible for establishing DoD policy on military personnel promotions, utilization, retention, separation and retirement.

In June 1989, he returned to Headquarters USAF as Chief of the Entitlements Division, assuming responsibility for Air Force policy on all matters involving pay and entitlements, including the military retirement system and survivor benefits, and all legislative matters affecting active and retired military members and families.

He retired from that position on January 1, 1994 to become MOAA's Deputy Director for Government Relations.

In March 2001, he was appointed as MOAA's Director of Government Relations and also was elected Co-Chairman of The Military Coalition, an influential consortium of 35 military and veterans associations.

Joseph L. Barnes
National Executive Director, FRA; and
Co-Chairman, The Military Coalition

Joseph L. (Joe) Barnes was selected to serve as the Fleet Reserve Association's (FRA's) National Executive Director (NED) in September 2002 during a pre-national convention meeting of the FRA's National Board of Directors (NBOD) in Kissimmee, Fla. He is FRA's senior lobbyist and chairman of the Association's National Committee on Legislative Service. He is also the chief assistant to the National President and the NBOD, and responsible for managing FRA's National Headquarters.

A retired Navy Master Chief, Barnes served as FRA's Director of Legislative Programs and advisor to FRA's National Committee on Legislative Service since 1994. During his tenure, the Association realized significant legislative gains, and was recognized with a certificate award for excellence in government relations from the American Society of Association Executives (ASAE).

In addition to his FRA duties, Barnes is a member of the Defense Commissary Agency's (DeCA's) Patron Council, and was elected Co-Chairman of the 35-organization Military Coalition (TMC) in November 2004. He also serves as Co-Chairman of TMC's Personnel, Compensation and Commissaries Committee and testifies frequently on behalf of FRA and TMC on Capitol Hill.

He received the United States Coast Guard's Meritorious Public Service Award for providing consistent and exceptional support of Coast Guard from 2000 to 2003 and was appointed an Honorary Member of the United States Coast Guard by Admiral James Loy, former Commandant of the Coast Guard, and then-Master Chief Petty Officer of the Coast Guard Vince Patton at FRA's 74th National Convention in September 2001. Barnes is also an ex-officio member of the U.S. Navy Memorial Foundation's Board of Directors.

Barnes joined FRA's National Headquarters team in 1993 as editor of On Watch, FRA's quarterly publication distributed to Navy, Marine Corps, and Coast Guard personnel. While on active duty, he was the public affairs director for the United States Navy Band in Washington, DC. His responsibilities included directing marketing and promotion efforts for extensive national concert tours, network radio and television appearances, and major special events in the nation's capital. His awards include the Defense Meritorious Service and Navy Commendation Medals.

Barnes holds a bachelor's degree in education and a master's degree in public relations management from The American University, Washington, DC, and earned the Certified Association Executive (CAE) designation from ASAE in 2003. He's an accredited member of the International Association of Business Communicators (IABC), a member of ASAE, the American League of Lobbyists, the U.S. Naval Institute, Navy League, and National Chief Petty Officer's Association.

He is a member of the FRA Branch 181 board of directors and has served in a variety of volunteer leadership positions in community and school organizations. He is married to the former Patricia Flaherty of Wichita, Kansas and the Barnes' have three daughters, Christina, Allison, and Emily and reside in Fairfax, Virginia.

Kathleen B. Moakler
Director, Government Relations Department
National Military Family Association

Mrs. Moakler has been associated with the National Military Family Association since 1995 as a member of the headquarters staff. She has served as Legislative Administrative Assistant and Senior Issues Specialist in the Government Relations Department, NMFA Office Manager, and Deputy Director, Government Relations. In February 2007, Ms. Moakler was appointed as interim Director of Government Relations and was appointed as Director in October 2007. In that position, she monitors the range of issues relevant to the quality of life of the families of the seven uniformed services and coordinates a staff of four deputy directors. Mrs. Moakler represents the interests of military families on a variety of advisory panels and working groups, including the American Red Cross "Get to Know Us Before You Need Us" working group, the DoD/VA Survivors Forum, and the State Department Interagency Roundtable. Mrs. Moakler is co-chair of the Survivors Committee and the Awards Committee for the Military Coalition (TMC), a consortium of 35 military and veteran organizations and serves on the Retiree Committee. She is often called to comment on issues pertaining to military families for such media outlets as the NY Times, CNN, NBC news and the Military Times. She writes regularly for "Military Money" and NMFA publications.

An Army spouse of over 28 years, Mrs. Moakler has served in various volunteer leadership positions in civilian and military community organizations in that time. Through the years, Mrs. Moakler has worked with many military community programs including hospital consumer boards, commanders' advisory boards, family readiness groups, church councils, youth programs, and the Army Family Action Plan at all levels. She believes that communication is paramount in the efficient delivery of services and the fostering of a rich community life for military families. She holds a Bachelor of Science degree in Business Administration from the State University of New York at Albany. Mrs. Moakler has been awarded the Army Commanders Award for Public Service and the President's Volunteer Service Award.

In addition to her work at NMFA, Mrs. Moakler participates as a member of the Contemporary Choir at the Chapel at Fort Belvoir, Virginia. She has a new role as a military mom. Her daughter is an Army nurse recently returned from a second tour in Iraq as an operating room nurse in the Green Zone and one son is an Army major stationed at Ft. Belvoir, Virginia. Her oldest son is an aspiring actor in Hollywood, California. Mrs. Moakler and her husband, retired Colonel Martin W. Moakler Jr. USA, reside in Alexandria, Virginia.

DOCUMENTS SUBMITTED FOR THE RECORD

FEBRUARY 7, 2008

Statement for the Record for

Peter J. Duffy

DEPUTY DIRECTOR LEGISLATION

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

for the

Subcommittee on Military Personnel

Committee on Armed Services

United States House of Representatives

February 7, 2008

**Submitted for the record.
Not for publication until
released by the House
Armed Services Committee.**

WRITTEN STATEMENT FOR THE RECORD OF PETER J. DUFFY
DEPUTY DIRECTOR LEGISLATION
NATIONAL GUARD ASSOCIATION OF THE UNITED STATES
SUBMITTED TO THE
UNITED STATES HOUSE OF REPRESENTATIVES MILITARY PERSONNEL
SUBCOMMITTEE OF THE ARMED SERVICES COMMITTEE

Chairman Snyder, Ranking Member McHugh, and Members of the Committee.

It is our distinct pleasure to submit a written statement for the record on behalf of the National Guard Association of the United States to address critical personnel issues facing members of the National Guard and their families. This brief submission will provide factual background, analysis and corrective recommendations for the following three issues: equitably reducing the age at which a Reserve Component member may begin to receive retirement pay; full-time manning deficiencies in the National Guard; and the unique Individual Medical Readiness (IMR) needs of the National Guard.

The Unique Citizen Service Member

The National Guard is unique among components of the Department of Defense in that it has the dual state and federal mission. While serving operationally on Title 10 active duty status in Operation Iraqi Freedom (OIF) or Operation Enduring Freedom (OEF), National Guard units are under the command and control of the President. However, upon release from active duty, members of the National Guard return to the far reaches of their states under the command and control of their governors where as a special branch of the Selected Reserves they train not just for their federal missions but for their potential state active duty missions such as fire fighting, flood control and providing assistance to civil authorities in a variety of possible disaster scenarios.

While serving in their states, members are scattered geographically with their families as they hold jobs, own businesses, pursue academic programs and participate actively in their civilian communities. Against this backdrop, members of the National Guard remain ready to uproot from their families and civilian lives to serve their governor domestically or their President in distance parts of the globe as duty calls and to return to the same communities when their missions are accomplished.

Military service in the National Guard is uniquely community based. The culture of the National Guard remains little understood outside of its own circles. When the Department of Defense testifies before Congress stating its programmatic needs, it will likely recognize the indispensable role of the National Guard as a vital Operational Force in the Global War on Terror but it will say little about and seek less to address the benefit disparities, training challenges and unmet medical readiness issues that exist within the National Guard at the state level. The National Guard Association of the United States asks this Sub Committee to please understand that the personnel issues of the National

Guard are different from those of the active forces and in some case radically so. We ask that they be given a fresh look with the best interests of the National Guard members and their families in mind in reviewing the recommendations set forth below.

Equitably Reduce the Age for Members of the Reserve Components to Collect Retirement Pay

Having transitioned to an operational force, the National Guard of the United States is spending more time on active duty as it shares responsibility for the Global War on Terror. In this changing environment, the National Guard is experiencing a critical loss of senior leadership who are increasingly retiring after 20 years of good service.

More than sixty years ago, the Congress of the United States established the age limit for receipt of retired pay by Reserve component members. That law subject to the recent amendment in the 2008 National Defense Authorization Act states that a retired Reserve component member can begin to draw military retired pay upon reaching 60 years of age regardless of number of years served. A National Guard member who enlists after high school at age 18 and retires after 30 years of service at age 48 must wait twelve years before drawing a retirement check.

In contrast, an active component member who enlists at the same age and serves 20 years on active duty can receive retirement pay immediately upon retirement at age 38. Reducing the eligibility age for Reserve component members to draw retirement benefits based upon extended service would not only be a big step in mitigating this disparity but it would serve to staunch the outflow of senior leadership that many units post deployment are experiencing. Retaining the seasoned leadership of officer and enlisted members provides cost offsets by lowering reliance on the "replacement" person.

An amendment to the current law that would both address the inequity of the present system and encourage longer service would be a formula to base eligibility for receipt of retired pay on years of service with the age to draw retirement pay reduced one year for every two years of service beyond twenty years. If an individual were to serve for 22 years, that individual would be eligible for retirement benefits at age 59, and so on.

Recommendation:
The National Guard Association of the United States recommends that the Congress of the United States support legislation to reduce the age at which a retired member of the Reserve component can receive military retirement pay by one year for every two years served after twenty good years of service.

Accelerate and Fund the Full Time Manning Requirements for the National Guard

Today's National Guard is changing in response to our nation's call as it engages in military operations around the world. As our country calls on the Guard to serve alongside its active duty counterparts, it must retool the existing technician and full-time manning program to sustain a high level of readiness. Operational tempo has placed considerable strain on Guard resources The National Guard's long-term ability to effectively support the overseas troop requirements for the Global War on Terror is at risk unless its troops are given the necessary full-time tools to effectively execute all National Guard missions.

The Army National Guard has a critical shortfall in full-time manning personnel. While full-time manning in other Reserve Components is staffed in excess of requirements, the Army National Guard is operating at less than seventy percent of its required level. The National Guard Association of the United States has worked with Congress to implement an increase in Army National Guard full-time manning to 72% by 2012. The United States Army funded this increase through 2005 by adding 728 Title 32 Active Guard Reserve (AGR) personnel and 487 military technicians to the Army National Guard. However, the OPTEMPO environment will require attainment of the 72% full-time manning level by 2010. It will cost an estimated 2.576 billion dollars in FY 08 to fund full-time manning personnel in the Army National Guard at the required level of 31,365. This increase will enhance unit readiness and facilitate better pre-mobilization training.

Recommendation:
The National Guard Association of the United States recommends that Congress support accelerating the current timeline to increase full-time manning in the Army National Guard and fully fund the full time manning requirements for the National Guard.

Address Individual Medical Readiness Needs of the National Guard with the Right Care and Support at the Right Time in the Right Place

According to The Task Force on the Future of Military Health Care, "Today's Operational Tempo raises the importance of all responsible parties doing their part to ensure the Individual Medical Readiness (IMR) requirements are satisfied to facilitate maximum deployability of our forces."

The Department of Defense (DoD) requires all members of the National Guard to be medically ready as a condition for deployment. IMR must address the medical and dental needs of those members deploying for the first time as well as those subject to redeployment whose mental health care needs arising from prior service in OIF and OEF have become paramount.

Dental Readiness

Currently, DoD requires all members to receive an annual dental examination. However, DoD provides no dental coverage for the traditional Guard member who is forced to pay the costs of meeting this directive. Dental deficiencies continue to be the most common reason for assignment of non-deployable ratings at mobilization sites through fiscal year

2007. This forced affected units to either deploy with less than 100 percent of their personnel or to provide from other units to back-fill for the disqualified members.

DoD has found dental deficiencies throughout the entire reserve component to be the cause of a significant amount of lost duty time. Seventy percent of dental emergencies in the National Guard were preventable by examination and treatment prior to mobilization.

Recommendation:
The National Guard Association of the United States recommends that the National Guard Bureau, the Department of Defense, and the Congress of the United States support authorization and appropriations for programs that will:

- Provide all members of the National Guard one year prior to deployment with coverage under TRICARE Prime that will include all medical and dental procedures necessary to bring the member into compliance for deployment
- Provide all members with an Annual Dental Examination (ADE) at no cost to the member, or alternatively,
- Provide stipends for dental insurance premiums and reimbursement of out of pocket expenses for dental care costs incurred by National Guard members for dental readiness procedures performed one year prior to deployment.

Mental Health Readiness

Our Nation faces a serious challenge as our troops return from deployment and war. After bravely risking their lives, these heroes often return to strained relationships, broken homes, depression, and even Post-Traumatic Stress Disorder (PTSD). The response these individuals and their families receive should ensure that they have the support they need to live productive and successful lives as well as prepare for future deployments.

For those members subject to redeployment who require behavioral readjustment or treatment for post traumatic stress disorder and are willing to seek the same, eliminating time and distance factors will only expedite and ease the transition from non recognition to treatment. Physicians say that the sooner these behavioral conditions can be recognized and treated, the more successful and mitigating the treatment will be. Whether through purchased care by DoD or the Department of Veterans' Affairs (VA), the National Guard and their families need to have access to all available behavioral health care resources in communities throughout the country in order to meet the surge in mental health care needs of care our National Guard members and their families.

The need for adequate community based behavioral health care for our members and their families is urgent. The Journal of American Medical Association (JAMA) reported on November 15, 2007 that Post Deployment Health Reassessment (PDHRA) screenings performed through May 2007 indicated that 42.4 % of all Reserve Component veterans of OIF required mental health treatment, nearly double the mental health needs of active component veterans of OIF. Because many of our National Guard veterans remain in the National Guard subject to future deployment, treating them and their families is essential in sustaining IMR for future deployments. However, treatment for the mental health

needs of our National Guard members and their families seems to have fallen through a huge crack in the Military Health System.

National Guard members returning from deployment can be extended on active duty for treatment at Military Treatment Facilities before being discharged. However, in most cases our members upon returning from deployment are quickly discharged from active duty and are no longer eligible for treatment at Military Treatment Facilities. As veterans, they are eligible for care at the Department of Veterans' Affairs health facilities. Once discharged, most of our members continue in the Selected Reserve and as such are eligible to enroll in TRICARE Reserve Select(TRS)beyond the six month Transitional Assistance Management Program (TAMP). Current enrollment of National Guard members in TRS is running about seven percent. TRICARE reports that psychiatrists have the lowest rate of participation in TRICARE/Medicare programs among physicians.

In many states, Veterans Administration (VA) facilities are available to readily support the active component population concentrated within relatively small geographic areas. However, the National Guard in the respective states has deployed multiple units to support OIF and OEF whose returning veterans in rural areas do not have ready access to VA facilities and assistance. Obtaining continuing treatment at a VA facility for many of our members means having to travel significant distances. This travel may require the veteran and possibly an accompanying family member to take time off from work thereby further straining employer/employee relationships already stressed by previous deployments. All of our members require and deserve ready access to mental health care providers to address the psychological effects of combat such as PTSD, suicidal thoughts, and other inappropriate behavior regardless of their physical location, home of record or service component.

Although behavioral health care providers exist in many of these rural areas beyond the service reach of VA facilities, the VA is institutionally reluctant to purchase provider contracts with this civilian community of practitioners to meet the surge in demand from the National Guard population. DoD seems to be content in passing this treatment issue to the VA rather than taking the initiative to aggressively purchase mental health care in rural areas to treat our members and their families. Unfortunately, it appears to be a manifestation of the "out of sight-out of mind" approach by DoD when it comes to neglecting the personnel needs of the National Guard. This remains an unmet IMR need that will continue to fester with the inaction of DoD, the VA and Congress.

Although perhaps most often associated with states west of the Mississippi, geographical barriers to treatment can occur in states as small as Rhode Island and as far east as Maine. Maine Representative Michael Michaud, Chairman of the Health Subcommittee of the House Veterans' Affairs Committee, indicated last session at a hearing of his Subcommittee that some of his veterans in the state of Maine must travel nine hours to be treated at facilities in Boston.

The Task Force on the Future of Military Health Care recommends a "better hand off from the DoD to the VA health systems" but stresses the need to expand efforts to promote provider participation in nonprime areas to improve access. DoD can not simply palm off mental health care treatment for the National Guard to the VA and walk away from the problem.

Recommendation:
It is the recommendation of the National Guard Association of the United States that the Congress of the United States support funding and authority for:

- The Department of Defense and the Department of Veterans Affairs in collaboration with local mental health care providers to provide adequate community based behavioral health care for Reserve component members and their families.

Transfer of Patient Information Among DoD, the VA and the National Guard.

The Report of the President's Commissions on Care for America's Returning Wounded Warriors recommended that DoD and the VA must move quickly to transfer clinical and benefit data to users will require interoperability of the AHLTA and VISTA electronic record keeping systems used by DoD and DVA respectively. This moment of interoperability is reported by DoD's contractors to be close at hand; however, the medical needs of our National Guard members have been overlooked with this effort as it does not address the medical records of our members generated by civilian health care providers which are not currently entered into the DoD AHLTA data base.

Currently, although the technology exists to do so, there is no mandate from DoD that hard copies of our National Guard members' medical records from their civilian health care providers be scanned or otherwise entered into the DoD AHLTA data base. Please keep in mind that National Guard members in a non deployed status do not receive their medical care from Military Treatment Facilities(MTF). Failure to scan National Guard members' civilian treatment records into the AHLTA data base will continue to keep military physicians in the dark when treating our members relative to pre existing conditions and medication histories found in their civilian medical records. Lack of ready access to this information in emergency treatment situations during deployments puts the National Guard patient at risk while being treated by military physicians. If these records were required to be entered into the AHLTA system, then they would also be accessible to the DVA once interoperability of the DoD and DVA systems is attained.

Recommendation:
The National Guard Association of the United States recommends that the Congress of the United States support authorization and appropriations for programs that will require the mandatory transfer of all non MTF treatment records of our National Guard members into the DoD and DVA electronic record systems.

Conclusion

In conclusion, we at NGAUS hope that we have both reinforced and amplified this Sub Committee's understanding of personnel needs of the National Guard.Thank you again for the opportunity to address this Committee and for all that you do for our nation's service members.

**Statement for
the Record**

Reserve Officers Association of the United States

For the

**Subcommittee on Personnel
House Armed Services Committee
United States House of Representatives**

February 7, 2008

**ROA™
RESERVE OFFICERS ASSOCIATION**

"Serving Citizen Warriors through Advocacy and Education since 1922."™

**Reserve Officers Association
1 Constitution Avenue, N.E.
Washington, DC 20002-5618
(202) 646-7719**

The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: "...support and promote the development and execution of a military policy for the United States that will provide adequate National Security." The mission of ROA is to advocate strong Reserve Components and national security, and to support Reserve officers in their military and civilian lives.

The Association's 70,000 members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on Active Duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security. ROA is represented in each state with 55 departments plus departments in Latin America, the District of Columbia, Europe, the Far East, and Puerto Rico. Each department has several chapters throughout the state. ROA has more than 450 chapters worldwide.

ROA is a member of The Military Coalition where it co-chairs the Tax and Social Security Committee. ROA is also a member of the National Military/Veterans Alliance. Overall, ROA works with 75 military, veterans and family support organizations.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers Association is a private, member-supported, congressionally chartered organization. Neither ROA nor its staff receive, or have received, grants, sub-grants, contracts, or subcontracts from the federal government for the past three fiscal years. All other activities and services of the Association are accomplished free of any direct federal funding.

President:	
Col Paul Groskreutz, USAF (Ret.)	770-639-1685 cell
Staff Contacts:	
Executive Director:	
LtGen. Dennis M. McCarthy, USMC (Ret.)	202-646-7701
Legislative Director, Health Care:	
CAPT Marshall Hanson, USNR (Ret.)	202-646-7713
Air Force Affairs, Veterans:	
LtCol Jim Starr, USAFR (Ret.)	202-646-7719
Army, QDR/G-R Commission:	
LTC Robert "Bob" Feidler (Ret.)	202-646-7717
USNR, USMCR, USCGR, Retirement:	
CAPT Marshall Hanson, USNR (Ret.)	202-646-7713

INTRODUCTION

ROA thanks the Chairman and members of the committee for the provisions passed in the Fiscal Year 2008 National Defense Authorization Act. With over 100 provisions that help serving members and their families, at least 24 directly affected ROA members. ROA further applauds the ongoing efforts by this committee to address recruiting and retention as this will be an ongoing challenge as we continue to fight a war.

EXECUTIVE SUMMARY

The Reserve Officers Association CY-2007 Legislative Priorities are:

- Assure that the Reserve and National Guard continue in a key national defense role, both at home and abroad.
- Reset the whole force to include fully funding equipment and training for the National Guard and Reserves.
- Providing adequate resources and authorities to support the current recruiting and retention requirements of the Reserves and National Guard.
- Support citizen warriors, families and survivors.

Issues supported by the Reserve Officers Association are:

Changes to retention policies:

- Continue support incentives for affiliation, reenlistment, retention and continuation in the Reserve Component (RC).
- Permit service beyond the current ROPMA limitations.
- Ensure that new non-prior servicemembers, who are over 40 years of age, are permitted to qualify for non-regular retirement.
- Continue to correct and improve legislation on reducing the RC retirement age.
- Permit mobilized retirees to earn additional retirement points.

Pay and Compensation:

- Ensure Army policy on mobilization and allowances doesn't destabilize retention.
- Seek differential pay for federal employees.
- Provide professional pay for RC medical professionals.
- Eliminate the 1/30th rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, and Hazardous Duty Incentive Pay.
- Simplify the Reserve duty order system without compromising drill compensation.

Education:

- Place all GI Bill funding and administration belongs under the jurisdiction of the Senate and House committees on Veteran Affairs.
- Include deployed Reservists under MGIB-Active to allow qualification by accumulating active duty time; earning up to 36 months of benefit at 100 percent.
- Extend MGIB-SR, chapter 1606, eligibility for 10 years following separation or transfer from the Selected Reserve in paid drill status.
- Return the MGIB-SR (Chapter 1606) payment rate to 47 percent of MGIB-Active.

- Include 4-year as well as 6- year reenlistment contracts to qualify for a prorated MGIB-SR (Chapter 1606) benefit.
- Stipulate that RC personnel can use their education benefits while mobilized.
- Transfer unused benefits for career service-members to family members.
- Allow use of the MGIB benefit to pay off student loans.

Spouse Support:

- Repeal the SBP-Dependency Indemnity Clause (DIC) offset.

Health Care:

- Encourage hearings on recommendations and fee structures made by the Task Force on the future of Military Health care.

TRICARE Prime:

- Adjustments to the enrollment fee are acceptable if tied to true health care costs.
- It is important to review the independently evaluation of the current total cost of DoD health care benefits. Such an audit will permit Congress to validate proposals made by all parties.
- Cost-sharing adjustments should be spread over at least five years to permit household budgets to adjust.
- Annual increases should **not** be tied to the market-driven Federal Employee Health Benefits Plan (FEHBP).

TRICARE Standard:

- ROA does not endorse an annual enrollment fee for either DoD or VA beneficiaries.
- If TRICARE Standard requires beneficiary enrollment, it should be only a one-time minimal administrative fee.
- Adjustments to TRICARE Standard should be made to the deductibles.
- Because of larger co-payments of 25 percent after the deductible, the costs of TRICARE standard must to be analyzed from a total cost rather than initial cost perspective. TRICARE Standards cost deductible automatically adjusts with escalating health care costs.
- TRICARE standard deductible increases should not be rolled over into TRS as Reservists pay more upfront. Family Premiums and deductible for an operational Reservist are $3,336 per year for CY2007 compared to a proposed combined cost of $1,120 for TRICARE Standard in FY 2008.

TRICARE Reserve Select (TRS):

- Review and reduce the TRS premium structure found to be excessive by GAO.
- Continue to improve health care continuity to all drilling Reservists and their families by
    - providing the individual Reservist an option of DoD paying a stipend toward employer's health care.
    - allowing demobilized Reservists, involuntarily returning to IRR, one year of TRS coverage for each three months of service.
    - allowing demobilized Retirees to qualify for coverage provided the IRR.
    - allowing demobilized FEHBP the option of TRS coverage.

- Extend military coverage for restorative dental care following deployment as a means to insure dental readiness for future mobilization.
- Advocate that physicians who accept Medicare must accept TRICARE.
- Gray area retiree buy-in to TRS.

On Pharmacy Co-payments:

- ROA believes higher retail pharmacy co-payments should not apply on initial prescriptions, but on maintenance refills only.
- ROA supports DoD efforts to enhance the mail-order prescription benefit.

Only issues needing additional explanation are included below. Self-explanatory or issues covered by other testimony will not be elaborated upon, but ROA can provide further information if requested.

PAY AND COMPENSATION DISCUSSION

Cost of a Reserve Component Member: Attention is being focused on the personnel costs of maintaining a military force. The Reserve Component (RC) remains a cost effective means for meeting operational requirements. Most pay and benefits are given on a participating basis only. The tooth-to-tail ratio is better in the Guard and Reserve than it is on Active duty. There are savings because the infrastructure and overhead costs are far less in the Reserve Component.

An all-volunteer Active duty force is expensive to maintain, where the Reserve is a budget balancer. The cost of each service's Reserve Component before mobilization is about five percent of that Service's budget, making the National Guard and Reserve a way for the country to meet its manpower requirements in times of great need at a fraction of the cost of maintaining a much larger full-time volunteer force.

The United States has been able to augment our armed forces with more than a million members of the Guard and Reserve who are capable of conducting combat operations side-by-side with the Active Component in every service. Keeping both components of that force together for future service requires a sustained recruiting and retention effort, which requires the appropriate pay and compensation.

Reserve retirement costs are far less than active duty retirement. Reservists receive between 25 – 30 percent of an active duty retirement. Payments and health care costs are delayed, starting at age 60.

While much has been made of the non-pay benefits provided to military members, the return on investment for a RC member is an offset to the non-pay compensation of RC. The military continues to profit from the civilian employment training and personal experience that is brought into the military from the private sector.

Additionally, the days of the "weekend warrior" are long past. Beyond being operational, Guard and Reserve members can no longer fulfill their responsibilities during one weekend a month. Most work Fridays, evenings, and additional weekends to meet

mission requirements. ROA thanks this committee for supporting this extra effort by increasing the ceiling to 130 inactive points from 90 points.

PROPOSED LEGISLATION

Retirement:

ROA would like to thank the committee for passing the early retirement benefit in the Fiscal Year 2008 National Defense Authorization Act, as a good first step toward changing the retirement compensation for serving Guard and Reserve members.

The Reserve forces are no longer just a part-time strategic force but are an integral contributor to our nation's operational ability to defend our soil, assist other countries in maintaining global peace, and fight the global war on terror.

Guard and Reserve members feel that with the change in the roles and missions of the Reserve Component, the contract has also changed. Informal surveys keep indicating that earlier retirement is the top issue asked for by Guardsmen and Reservists. They ask why, if they are facing the same risks as Active duty, is there a 20 year difference in access to retirement pay.

1. ROA endorses H.R. 4930, the Parity for Patriots Act, which is a corrective measure to the Fiscal Year 2008 National Defense Authorization Act, including those Guard and Reserve members who have been mobilized since 9/11/2001. Over 600,000 were excluded. ROA recognizes the expense of this corrective measure scored by CBO at $1.8 billion over ten years, but some times fair trumps fiscal.

2. ROA doesn't view the congressional solution as the retirement plan for the 21st Century. The Commission on the National Guard and Reserve recommends integrating the Active and Reserve retirement plans. They also suggest that such a plan should be based on an aggregate of active duty time (or equivalent).

H.R.3449, the Guard and Reserve Early Retirement Act of 2007 Retirement, is an early retirement plan based on cumulative retirement points and thresholds of service to reduce one's retirement age. Each point represents a day of service, and active duty retirement compensation is already calculated on total points earned. An Active Duty year is measured as 360 points. Expanding this matrix, could provide a basis for an integrated retirement system.

ROA agrees that a retirement plan that is based on accruement of retirement points. Early retirement should not be based on the type of service, but on the aggregate of duty. It shouldn't matter if a member's contributions were paid or non-paid; on inactive duty or active duty for training, special works or for mobilization. Under a continuum of service, this approach would provide both the Active or Reserve Component members with an element of personal control to determine when they retire and will encourage increased frequency of service and service beyond 20 years within the Reserve.

The Reserve Officers Association would like to continue discussions with the committee on this approach, and ROA also hopes to hold a forum on the various plans for retirement in April to facilitate these discussions.

3. **With changes in the maximum recruitment age, ROA urges Congress to ensure that new non-prior servicemembers, who are over 40 years old, are permitted to qualify for non-regular retirement.** While Congress took action to extend the military Mandatory Retirement Age to 62 years, services aren't necessary electing to increase their MRA policies.

4. An additional problem has arisen for O-4 officers who, after a break in service, have returned to the Reserve Component. After being encouraged to return a number of officers find they are not eligible for non-regular retirement. When reaching 20 years of commissioned service they find they may have only 15 good federal years. Current policy allows these individuals to have only 24 years of commissioned time to earn 20 good federal years. **ROA urges Congress to make changes to allow O-4s with 14 to 15 good federal years to remain in the Reserve until they qualify for non-regular retirement.**

Pay and Service Recognition:

1. *Differential Pay for Federal Reservists*: The federal government is one of the largest employers of Guard and Reservists. While it asks private employers to support deployed employees and praises employers who pay the differential between civilian and military salaries, the federal government does not have a similar practice. Federal pay differential should be viewed as a no cost benefit, as this pay has been budgeted to federal agencies before the individual Guard or Reserve member is recalled. As the pay differential will be less that the budgeted pay, there will be a net savings. Because of this, ROA feels that each federal agency, and not the Department of Defense, should pay this differential. **ROA urges Congress to enact legislation that would require a federal agency to pay the difference between the federal government civilian and military pays of its Reservist-employees who are mobilized.**

Education:

1. *Montgomery "GI" Bill-Selected Reserve (MGIB-SR):* To assist in recruiting efforts for the Marine Corps Reserve and the other uniformed services, **ROA urges Congress to reduce the obligation period to qualify for MGIB-SR** (Section 1606) from six years in the Selected Reserve to four years in the Selected Reserve plus four years in the Individual Ready Reserve, thereby remaining a mobilization asset for eight years.

2. *Extending MGIB-SR eligibility:* Because of funding constraints, no Reserve Component member will be guaranteed a full career without some period in a non-pay status. Whether attached to a unit or as an individual mobilization augmentee, this status represents periods of drilling without pay. BRAC realignments are also restructuring the RC force and reducing available paid billets. Eligibility should extend for 10 years beyond separation or transfer out of a paid billet.

HEALTH CARE DISCUSSION

ROA applauds the efforts by Congress to address the issue of increasing Department of Defense (DoD) health care costs and its interest to initiate dialogue and work with both the Pentagon and the beneficiary associations to find the best solution.

The Task Force on the Future of Medical Health Care has published their final report with 12 recommendations. These include responsible cost accounting, wellness programs and fee adjustments.

The recommendation by the Task Force is that and fee increases be limited to retirees, and not affect Active Duty members or their families. **ROA reminds the committee that recommendations for changes to deductibles should not be applied to the serving Reservist either.**

TRICARE Reserve Select has evolved into a stand alone health plan. While it uses the TRICARE standard as an engine, it is no longer a TRICARE standard program. **TRICARE standard fee increases must not be rolled over into TRS.**

1. TRICARE PRIME: ROA clearly understands that health care costs must be brought back into alignment and that some cost will have to be borne by retirees and families of serving members, both Active and Reserve.

The operational Active and Reserve force and their families deserve the best, both while serving and into retirement. To preserve the top health care program in the nation as a DoD benefit, the Reserve Officers Association is a proponent of cost-sharing.

Increasing the cost-share of DoD health care beneficiaries is admittedly an emotional issue. Yet the nation and the Department of Defense are faced with ever increasing health care costs. Because of the dynamics involved, this is an issue that should not be rushed, and each recommendation should be examined by Congress carefully.

ROA endorses a tiered enrollment plan and congratulations the Task Force for developing one based on annual income. As Guard and Reserve members retire at 25 to 30 percent of active duty retirement pay, it makes sense that G-R enrollment fees should be lower.

At this point, ROA is not ready to make comment on the suggested enrollment amounts or tiered intervals, because the true costs of DoD health care has not yet been reliably established. **ROA does suggest that if enrollment fees are based on income that it be based on net (following deductions) rather than gross income for retirees.**

2. TRICARE Standard: After the Task Force report, the Reserve Officers Association continues to have concerns with recommended enrollment fees and deductible increases for TRICARE Standard. While intended as the low cost option to TRICARE Prime, Standard is already more expensive than Prime.

While offered as an option to TRICARE Prime to active duty retirees, TRICARE Standard (TRS) is the required choice for serving Reservists and may be the health care plan of choice

for Guard and Reserve retirees between the ages of sixty and sixty-five because most live outside the TRICARE Prime network of health care providers.

Geographically removed, Standard areas have fewer authorized TRICARE providers. It becomes incumbent upon the TRICARE beneficiary to find a physician that accepts TRICARE Standard and often the beneficiaries must administer their own TRICARE health plan. Because of its costs and problems with availability, TRICARE Standard can only be viewed as DoD's "basic model" health care program.

TRICARE Prime is DoD's voluntary health maintenance organization (HMO), while TRICARE Standard is DoD's preferred provider organization (PPO) plan and a fee for service plan. With a $150 deductible for singles and a $300 deductible for families, TRICARE Standard retiree beneficiaries also pay co-payments (cost-share) of 25 percent per visit after the deductible.

The Reserve Officers Association does not endorse annual enrollment fees for individuals who don't use the TRICARE Standard plan. Eligibility should remain universal, enrollment fees might be implemented with first use of the program.

If TRICARE Standard enrollment fees are increased, Congress needs to review the recommended deductibles and current co-payment levels. While TRICARE Prime is in the top 90 percent for cost, TRICARE Standard is at a lower level of the spectrum of plan generosity.

The Task Force recommends that there is one annual enrollment or disenrollment period. **If an enrollment fee is implemented, the individuals should have an ability to disenroll at any point during that first year.** TRICARE Standard has no guaranteed access, and Standard beneficiaries may be unable to find a health care provider.

3. TRICARE Reserve Select/Reserve Health Care: TRICARE Reserve Select family premium is based on a Federal Employee Health Benefit Plan premium base of $10,834. Family premiums and deductible for an operational Reservist are $3,336 per year for FY2007 compared to recommended combined cost for retired officers of $510 for TRICARE Standard in FY2008. ROA finds this to be inequitable.

A. In December 1007, GAO report 08-104 found that TRS premiums are excessive.

Echoed in early ROA Testimony, the GAO recommends that DOD stop basing TRS premiums only on Blue Cross and Blue Shield (BCBS) premium adjustments and use the reported costs of providing benefits through the TRS program when adjusting TRS premiums in future years.

ROA suggests that these premiums be adjusted downward, and overpayments be credited toward future premiums.

B. Currently, dental readiness has the largest impact on mobilization. In the fourth quarter of FY-2007, the Army Reserve was 51.8% dental class 1 or 2, Navy was 90%, Air Force 83.5 %, USMCR 77.2%, Air Guard 87.3%, Army Guard 45.6% and USCGR 74.6%.

The services require a minimum of Class 2 (where treatment is needed, however no dental emergency is likely within six months) for deployment. Current policy relies on voluntary dental care by the Guard or Reserve member. Once alerted, dental treatment can be done by the military, but often times there isn't adequate time for proper restorative remedy.

The services admit that dental hygiene and treatment is lacking during overseas deployments.

ROA suggests that the services are responsible to restore a demobilized Guard or Reserve member to a Class 2 status to ensure the member maintains deployment eligibility.

Because there is inadequate dental assets at Military Treatment Facilities for active, family and reservists, **ROA further recommends that dental restoration be included as part of the six months TAMP period following demobilization.** DoD should cover full costs for restoration, but it could be tied into the TRICARE Dental program for cost and quality assurance.

3. **ROA supports TRS buy-in for gray area retiree.** Gray-area Reservists are currently in limbo between TRS while drilling and TRICARE with retirement-in-pay. TRS buy-in would be at the full monthly cost, but at least this would provide a continuity of coverage for those waiting for TRICARE retirement.

E. Employer health care option: **The Reserve Officers Association continues to support an option for individual Reservists where DoD pays a stipend to employers** of deployed Guard and Reserve members to continue employer health care during deployment. Because TRICARE Prime or Standard is not available in all regions that are some distance from military bases, it is an advantage to provide a continuity of health care by continuing an employer's health plan for the family members. This stipend would be equal to DoD's contribution to Active Duty TRICARE.

CONCLUSION

ROA reiterates its profound gratitude for the progress in providing parity on pay and compensation between the Active and Reserve Components, yet the sub-committee also understands the difference in service between the two components.

ROA looks forward to working with the personnel sub-committee where we can present solutions to these and other issues, and offers our support in anyway.

Written Statement for the Record of

THE
NAVAL RESERVE ASSOCIATION

FOR

Military Personnel Subcommittee – House Armed Services Committee

February 7, 2008

The Navy Reserve Association

The Naval Reserve Association traces its roots back to 1919, and is devoted solely to service to the Nation, Navy, the Naval Reserve and Naval Reserve officers and enlisted, and members of all Reserve Components. It is the premier national education and professional organization for Naval Reserve personnel, and the Association Voice of the Naval Reserve.

Full membership is offered to all members of the services and Naval Reserve Association members come from all ranks and components.

The Association has just under 23,000 members from all fifty states. Forty-five percent of the Naval Reserve Association membership is drilling and active reservists and the remaining fifty-five percent are made up of reserve retirees, veterans, and involved civilians. The National Headquarters is located at 1619 King Street Alexandria, VA. 703-548-5800.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Naval Reserve Association does not currently receive, has not received during the current fiscal year, or either of two previous years, any federal money for grants. The Association has accepted federal money solely for Naval Reserve Recruiting advertisement in our monthly magazine. All other activities and services of the Association's are accomplished free of any direct federal funding.

Madam Chairwoman and Distinguished members of the Military Personnel Subcommittee – of the House Armed Services Committee.

The Naval Reserve Association is grateful to the members of Congress for addressing key Guard and Reserve issues in the 110th Congress. Several provisions have been enacted into law that the Naval Reserve Associations has sought for a long time.

Since the Commission on the National Guard and Reserves has recently released its final report – we feel that it should be view with great caution.

We also, view with concern that Congress may not hear from Guard and Reserve members through their associations, or through their chain on these issues, therefore we encourage Congress to call for specific hearings on these issue prior to any enactment of the recommendations.

Commission on the National Guard and Reserves

The Commission on the National Guard and Reserves issued its final report on the 31st of January. In August 2006 after the Commission's 90 day preliminary report, we said "*Whenever someone uses the words compensations or benefits, it behooves all of us to pay attention. Something good can result, or something bad can result. But, change is in the wind.*" After reviewing the Commission's final report, it appears were right about that prediction.

The Commission on the National Guard and Reserves was created by Public Law 108-375 which was the appropriations bill, formally known as the Ronald W. Reagan National Defense Authorization Act for fiscal Year 2005. The final report is extensive, 368 pages plus appendices. In it are 95 specific recommendations. We will try to give a sense of the significant findings as they related to Navy Reserve members and their families. We suspect that all Reserve members may agree with our view.

This Association was very instrumental in getting this commission established because we thought that changes in the Navy Reserve were begging for a thorough review and we lobbied hard with key Congressional offices. Now, because of some of the recommendations of the Commission, there is a temptation to say: oops, be careful what you wish for. But at the end of the day we believe that we have done a valuable service to get some of these issues on the table.

To quote the Commission the report is "the most comprehensive, independent review of National Guard and Reserve forces in the past 60 years."[i] And, it is! We give them credit for that. The Commission even suggests that if Congress enacts just a portion of their recommendations it will create the most sweeping legislation affecting the Department of Defense since *Goldwater-Nichols*, which they notice took over two decades to implement. Unfortunately, from our point of view, the war and the issues it has created for the National Guard has caused the Commission to focus a great deal of their attention on the National Guard and the Army Reserve to the detriment of Navy and Air Force issues and to a lesser extent Marine Corps Reserve issues. Of the 95 recommendations a great many are very specific to the Army issues. With just one exception the Navy is

addressed only by being included in recommendations affecting all Reserve Components. Therefore, one must read between the lines a bit to understand the potential effect on the Navy Reserve. This third and final report contains six major conclusions which taken together and supported by 163 individual findings, form a picture of broad changes which are required within the DoD to create an Operational Reserve which is sustainable and affordable. Most of our members will find agreement with the conclusions as much of what is said is not new to Navy Reservists. It is in the recommendations going forward where we will differ greatly – with the Commission.

Conclusion 1) *"The nation requires an operational reserve force. However, DoD and Congress have had no serious public discussion or debate on the matter, and have not formally adopted the operational reserve...Congress and DoD have not reformed the laws and policies governing the reserve components in ways that will sustain an operational force."* The Commission is clear in their belief that "there is no reasonable alternative to the nation's continued increased reliance on reserve components as part of its operational force for missions at home and abroad." It is their opinion that had DoD not sort of backed into the operational reserve construct and been ignored by the military services, the all volunteer force would have faltered and a draft would have been necessary to sustain today's operations. They are equally clear that there will be no returning to the cold war Strategic Reserve model. While the premise of the entire report is in the title – "Transforming the National Guard and Reserves into a 21st Century Operational Force," recommendation one states in part: *"Moreover, the traditional capabilities of the reserve components to serve as a strategic reserve must be expanded and strengthened."* While we wholeheartedly agree with that statement, insofar as the Navy Reserve is concerned, the Commission goes no further in describing what that strategic reserve should look like, or how to ensure its existence. In fact, if one looks at the report in the whole it is almost as if the Commission has gone out of its way not to address Navy issues. This is in fact true of actions by the Navy Department.

Conclusion 2) *"The Department of Defense must be fully prepared to protect American lives and property in the homeland...As part of DoD, the National Guard and Reserves should play the lead role in supporting the Department of Homeland Security..."* The Commission makes clear that within NORTHCOM the Guard and Reserve should hold key billets and have clear responsibilities. There is a lot in this section of the report that is new in terms of the failure of DoD and Congress to move forward in concrete terms with homeland defense. The Commission presses home the point that only our military is adequately equipped to deal with large disasters such as a nuclear incident and the Guard and Reserve are the natural first responders and should be equipped to do so. Unfortunately again the focus of the recommendations for equipping are Guard centric and there is no specific language which would support a Navy Reserve role in homeland defense. We remember that in 2006 when then VCNO, Admiral Robert Willard testified before the Commission he stated that the Navy would shape its Reserve Component for homeland security and disaster relief.[ii]

Conclusion 3) *"Current law and policy still reflect a Cold War-era vision of the employment of valuable military manpower assets and do not adequately support an operational 21st century force..."* The Commission calls for a "new integrated personnel management structure." Recommendation 21 states in part: *"DoD should implement a combined pay and personnel system as soon as possible to rectify the inadequacies in*

today's legacy systems." How long have we been promised that just within Navy we would have a common pay system? They go on to say that whether there is a DoD wide system or several systems *"the military personnel and pay system must be streamlined and made more efficient."* Recommendation 22 calls for reducing *"the number of different duty statuses from the current 29 to 2: on (active) duty and off (active) duty. All reserve duty will be considered active duty..."* Now here's the rub: Recommendation 22 also calls for replacing the 48 drills with 24 days of active duty. In other words an end to a days pay for a four hour drill period and four days pay for a drill weekend! The Commission further adds that this should cause no loss of compensation for current service members. They fall short of suggesting how the Services might accomplish that.

NRA believes this is ill-timed and ill-advised recommendation (number 22) and could lead to loss of our very best experienced personnel across the services.

This section is where the Commission moved beyond its original charter and under the topic of creating a continuum of service makes major recommendations to the retirement system for both Active and Reserve Components. (You may have read about this in the 11 February issue of *Navy Times*.) Recommendation 27 says: *"Congress should amend laws to place the active and reserve components into the same retirement system. Current service members should be grandfathered under the existing system but offered the option of converting to the new one; a five year transition period should be provided for new entrants, during which time they could opt for either the new or the old plan."* Recommendation 28 says in part: *"Congress should set the age for receipt of a military retirement annuity at 62 for service members who serve for at least 10 years, 60 for members who serve for at least 20 years, and 57 for members who serve for at least 30 years. Those who wish to receive their annuity at an earlier age should be eligible to do so, but the annuity should be reduced 5 percent for each year the recipient is under the statutory minimum retirement age (consistent with the Federal Employees Retirement System). For reserve component members, retired pay would continue to be calculated on the number of creditable retirement years, based on earning at least 50 retirement points per creditable year."*

There is some trade off in that the Commission also recommends earlier vesting of retirement rather than the "cliff" vesting at 20 years. They also recommend true 401K type plans with some contribution matching by the government and of course, portability. Earlier vesting is important as they point out that only 24 percent of Reservists serve long enough to be eligible for a 20 year retirement. One can imagine that it will be much easier for Congress and the Services to change the "days pay for a four hour drill" program than to change Active Component retirement to pay out at age 57 or later. And just because the Commission recommends that current Reservists should not lose pay under the new system doesn't mean that it has to be implemented that way. NRA is very concerned about how Guard and Reserve and Active Duty members now and in the future view this recommendation.

Conclusion 4) *"The reserve components have responded to the call for service...To sustain their service for the duration of the global war on terror will require maintaining the force at a new standard of readiness...Current policies cannot accomplish this task..."* The recommendations that follow this conclusion largely deal with training and equipping, readiness reporting, Full Time Support, and so forth. In recent commentary Christine Wormuth, a senior fellow at the Center for Strategic and International Studies, has said that these recommendations will "truly make or break transforming the National Guard and

Reserves into a twenty-first century operational force. Congress and the Defense Department must implement these recommendations ...however; these recommendations come with multibillion dollar price tags – a fact that raises the barriers to their implementation very significantly." [iii]

We have often written that the Navy has left the future of its FTS community somewhat in limbo. On this topic the Commission is clear: *"This development—making the provision of full-time support an active component mission—is consistent with the Chief of Naval Operations' plans to create a more integrated total force. Admiral Willard testified that "it is imperative that the Navy Reserve be fully integrated, both administratively and operationally, within the Active Component." The Commission believes that the success of the Navy's integration efforts will remove the need for a separate career path designed solely to provide the Navy Reserve with full-time support."* Therefore recommendation 39 follows: *"The Navy Reserve's FTS program should be replaced with a program that provides active component full-time support to reserves with no loss in the number of billets that support the reserve component. The transition to active component FTS for the Navy should take place in phases to protect the careers of currently serving FTS Navy reservists."* We have no doubt that this is now the Navy plan and with this endorsement by the Commission the Navy is certainly under way with way on. If implemented under FY 08 numbers, this will reduce Navy Reserve end strength by some 11,579 down to 55,921. (To be fair, the Commission also recommends doing away with any distinction between Active Component and Reserve Component so there will only be the Navy and we suppose, therefore, only one end strength number.)

We strongly recommend that Congress view this with caution, since the Navy has attempted several times in the past to delete the FTS program and make the FTS mission a part of the Active Duty end-strength. In past cases, the experiment failed. We ask Congress to call for a GAO study of the FTS program before any legislation is considered in this area.

The body of the report does speak to Navy equipment on page 228: *"The Navy's policy is to equip all its units, both active and reserve, to accomplish all their assigned missions. Rear Admiral Bozin* [Director, Office of Budget, Office of the Assistant SECNAV for Financial Management] *testified, "I think we're adequately funded with equipment with the caveat [of] concern for the industry." DOD requested $51.7 million for Navy Reserve equipment in the FY 2008 budget, a figure that represents 0.1 percent of the Navy's $38.7 billion total procurement budget... The Navy stresses interoperability as part of the total force concept, which makes no distinction between active and reserve requirements."* The report then mentions only two areas of concern for Navy equipment - Seabees and the C-9.

Most Guard and Reserve force commanders stress the need for equipment to properly train and maintain Guard and Reserve forces to be ready for current day operational missions, and as reported strategic missions. The Navy has historically not provided proper equipment for its Reserve force. Due to proximity of Reserve forces to key training sites, NRA believes that equipment is critical to maintaining a Reserve force that is ready and relevant.

The Coast Guard went down this path of "fully integrated administratively and operationally" some years ago. Today the Coast Guard Reserve has virtually no equipment. How then can they have a properly equipped Strategic Reserve? The Commission doesn't seem to have a problem with this: *"The Coast Guard has adopted an integrated total force design for its reserve component that is based largely on supplying personnel to augment the active Coast Guard forces, an approach that ensures little need for separate, dedicated equipment."* Fast forward and this is your Navy Reserve, a manpower pool, which we feel will not maintain or train reservist for the Operational force or the strategic force.

Conclusion 5) *"To maintain an operational reserve force over the long term, DOD must appropriately support not only the service members themselves but also the two major influencers of members' decisions to remain in the military—their families and employers. Significant improvements in current programs in all three areas are essential to sustain an operational reserve force both today and in the future."* There is a lot in this section which Navy Reservists should support – Improvements in access to family medical care, more capability provided to the ESGR to support employers, stipends for employers to encourage them to keep recalled Reservists under their current health care plans, etc. This section is a challenge to Congress and DoD to take care of the entire Guard and Reserve community to ensure a sustainable force.

Conclusion 6) *"The current reserve component structure does not meet the needs of an operational reserve force. Major changes in DOD organization, reserve component categories, and culture are needed to ensure that management of reserve and active component capabilities are integrated to maximize the effectiveness of the total force for both operational and strategic purposes."*
Perhaps the recommendation here of most immediate significance to Reservists is 86: *"The two major divisions that should be established are*

- *The Operational Reserve Force, which will consist of present-day SR units and individual mobilization augmentees - which will periodically serve active duty tours in rotation supporting the total force.*
- *The Strategic Reserve Force, which will consist of two subdivisions: The Strategic Ready Reserve Force, consisting of current Selected Reserve units and individuals who are not scheduled for rotational tours of active duty as well as the most ready, operationally current, and willing members of today's Individual Ready Reserve and retired service members (regular and reserve), managed to be readily accessible in a national emergency or incentivized to volunteer for service with the operational reserve or active component when required."*

This recommendation deals with only the manpower definition of the Strategic Reserve, not the missions or equipment necessary to carry out those missions.

NRA strongly encourages Congress to <u>consider the necessity</u> to have equipment for all Reserve Components for the Strategic and Operational reserve force.

Recommendation 83 states: **"***Reserve component officers and senior enlisted personnel should be selected for leadership positions in reserve component units without geographic restrictions. As proposed in Recommendation #53, reserve training travel allowances should be modified to eliminate fiscal obstacles to implementing this policy."* If

implemented this would provide funded travel to drill for those living beyond 50 miles from the drill site.

The last recommendation we will discuss here is number 95: *"Congress should pass legislation eliminating the Office of the Assistant Secretary of Defense for Reserve Affairs. The Secretary of Defense should report to Congress on how responsibility for reserve issues currently managed by the ASDRA will be addressed by the appropriate under secretary or assistant secretary assigned responsibility for corresponding active component issues, and whether any further legislation is needed to ensure that personnel working on reserve issues hold rank and have responsibilities commensurate with those of their counterparts who handle active component issues."* Your Association believes that this runs counter to the reason ASDRA was created in the first place- to have a Reserve Component advocate, something the another structure aren't likely to do.

NRA does not support this recommendation, and sees it as counter-productive.

So what do we make of this sweeping report? Many of these recommendations should be welcomed by Reservists because policies and laws must be changed to reflect the wholesale change in the use of the Reserve Component. We all know that Guard and Reserve troops are no longer kept on a shelf as a strategic reserve in anticipation of massive conflict with the Soviet Union. The CNGR's recommendations, if implemented, would reform the strategic reserve framework and create more equity in pay and benefits, modern equipment, and better personnel management.

The Danger is that because of a lack of granularity with regard to Strategic Reserve forces the report might be interpreted by the military services, Congress, and the Administration as a suggestion that the Guard and Reserve should be absorbed into the active-duty force. We believe that the new operational role of the reserve component should lead to a more distinct reserve component mission, homeland security for instance, not a Guard and Reserve that has been bottled and repackaged as "active-duty light." Congress and the Administration, while addressing the finer points of the CNGR report, should ensure that their overall approach gives the Guard and Reserve a distinct identity through a defined role. This will ensure an appropriately blended national strategic focus on the threats of tomorrow by an active-duty surge force and the threats of today by a Reserve Component rotational force.

We remain concerned about the ability of our Services and DoD to correctly anticipate the requirements of the next conflict. It would be extremely damaging to the U.S., for example, to allow the active-duty force to focus on unconventional warfare for the next fifteen years and then have to confront a major conventional power at the end of that period. The more appropriate course would be to allow the more recently experienced members of the Reserve Component to deal with stability, peace-keeping, and state-building missions, while the Active Component would focus on providing a strong deterrent force against aggressive regional powers and rising great powers.

We feel that Congress must review these recommendations with a very cautious eye. Although they appear on paper as the right thing to do, they in fact are detrimental the relevance, readiness, and longevity to the Guard and Reserve forces. Merging what appears to be doable – is in fact something that could and would yield

unintended consequences for our national security. It has taken the services and DoD over 30 years to make progress toward a Total Force policy, and it still is not achieved. It has only been done – when budgetary pressures where overwhelming, or Congress acted to enforce a Total Force mandate. There is a difference between the Active Force and the Reserve Force – because of the inherent experience and realities of those that serve in the Reserve Components. We encourage Congress to hold hearings on these recommendations prior to any recommendation being enacted into law.

Key Legislative Goals for the Naval Reserve Association:

We ask Congress to also consider these legislative goals as you consider legislative changes that are necessary for the health and maintenance of a strong, ready and relevant Guard and Reserve force.

1. **Reserve Retirement Compensation Under 'Operational Reserve' Policy –**

NRA appreciates Congress starting with an adjustment for active duty service in support of a contingency operation. However, in recognition of the increase in service and sacrifice of Reserve Component members and as an inducement to longer service and to maintain the Operational Reserve Force, more must be done.

NRA strongly urges further progress in revamping the reserve retirement system in recognition of increased service and sacrifice of Reserve Component members, including at a minimum, extending the new authority for a 90 day - three month reduction to all Guard and Reserve members who have served since 9/11.

The NRA further believes as the nation is committed to increase utilization of Reserve Components and to maintain and retain a viable Operational Reserve Force we must move forward to provide a reduced retirement pay age entitlement for all Reserve Component members, that is an age / service formula or outright retirement at age 55 to include provisions for 'gray area' retirees, and to include TRICARE access.

The assumption behind the 1948-vintage G-R retirement system – retired pay eligibility at age 60 – was that these service members would be called up only infrequently for short tours of duty, allowing the member to pursue a full-time civilian career with a full civilian retirement. Under the nation's adoption of an operational reserve policy, however, reservists will be required to serve on extended active duty every 4 or 6 years.

Recent experience indicates many members will be activated even more frequently for the foreseeable future. The reserve forces, meanwhile, are experiencing growing shortages in critical specialties in all areas. Over 600,000 Guardsman and Reservist have been activated since September 11, 2001. Some have made the ultimate sacrifice, and many have suffered economic and emotional losses. Our Citizen Warriors play more than an important role in the war on terror. They are and will remain vital to the success of the all-volunteer force. The exclusion of those that have been activated since September 11, 2001 from this benefits is not right.

Reserve mission increases and a smaller force mean G-R members must devote far more of their working lives to military service than envisioned in 1948. Repeated, extended activations make it more difficult to sustain a full civilian career and will impede Reservists' ability to build a full civilian retirement, 401(k), etc. Regardless of statutory protections, periodic long-term absences from the civilian workplace can only limit G/R members' upward mobility, employability and financial security. Further, strengthening the reserve retirement system will serve as an incentive to retaining critical mid-career officers and NCOs for continued service and thereby enhance readiness. Recent improvements in the Reserve Retirement system excluded those that

have already given tremendous sacrifices. The country can ill afford to treat service members, their families, and their employers in this manner.

- ***The NRA most strongly urges Congress to improve the authority for a 90 day for 3 month reduction to include all those Guard and Reserve members (over 600,000) activated since September 11, 2001.***

2. Wounded Warrior and Seamless Transition for Mobilized Reserve Component members and Their Families – Over half million members of the Reserve Component members have been activated so far since 9/11. Recent reports (JAMA, and press), have documented that those currently documented Reserve Component members have higher incidents (42.4 percent) for PTSD and other mental health problems. Congressional hearings and media reports have further documented the fact that at separation, many of these service members do not receive the transition services they and their families need to make a successful readjustment to civilian status. Wounded OIF/OEF veterans have wounded families. Additionally, Caregivers caring for these veterans' places a tremendous strain on their family members. Caregivers may be their spouse, mother, father, sibling, relative, or significant other. Caregivers and service members must have access to mental health counselors throughout the VA healthcare system, along with additional measures for stress relief including respite and childcare. Needed improvements include but are not limited to the following:

- Funding to develop tailored Transition Assistance Program (TAP) services in the hometown area following release from active duty
- Expansion of VA outreach to provide "benefits delivery at discharge" services in the hometown setting
- Authority for mobilized Reserve Component members to file "Flexible Spending Account" claims for a prior reporting year after return from active duty
- Authority for employers and employees to contribute to 401k and 403b accounts during mobilization
- Enactment of academic protections for mobilized Reserve Component members students including: academic standing and refund guarantees; and, exemption of Federal student loan payments during activation
- Automatic waivers on scheduled licensing / certification / promotion exams scheduled during a mobilization
- Recognition of the veteran's primary caregiver and the integral role they play in advocacy and the maintenance of the veteran's quality of life through specialized training, certification, and compensation for their care.
- Monitor continuity of care for veteran's primary caregiver as they transition between the DoD and VA healthcare systems.
- Authority for reemployment rights for Reserve Component members and spouses (caregivers) who must suspend employment to care for children or wounded warriors during mobilization.
- Provide access to caregivers to mental health counselors. Wounded OIF/OEF veterans have wounded families. Caregivers must have access to mental health counselors throughout the VA healthcare system, a long with additional measures for stress relief including respite and childcare. They will need additional childcare and respite care.

3. A Total Force Approach to the Montgomery GI Bill –

NRA is most grateful to Congress for adopting the 10-year post-service readjustment benefits for National Guard and Reserve veterans of Iraq and Afghanistan -- and others who have served on active duty on "contingency operation" orders. Congress also approved MGIB "buy up" for reservists, accelerated payments, and an option for discharged reservists to recover their lost MGIB benefits under Chapter 1607, 10 USC by rejoining the Guard or Reserve. Now additional upgrades are needed to fully match the MGIB with the needs of all warriors who serve in the 21st century. NRA goals:

- Raise MGIB rates to the average cost of a four-year public college or university education
- Authorize month-for-month MGIB entitlement for reservists who serve multiple active duty periods of service (up to 36 months active duty)
- Restore basic reserve MGIB benefits for drill service to 47-50% of active duty benefits
- Integrate reserve and active duty MGIB laws in Title 38.
- Extend the post-service usage period for MGIB benefits earned on active duty to 15 years or more
- Authorize upfront reimbursement of tuition or training coursework

With a total force approach to the MGIB under Title 38 and improvements, the Nation will better support the purposes of the MGIB: support for recruitment, retention and readjustment to civilian life, as Congress intended.

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[i] Commission on the National Guard and Reserves, *Transforming the National Guard and Reserves into a 21st Century Operational Force* (January 31,2008)
[ii] Naval Reserve Association News, August 2006, Volume 53, No. 8
[iii] The CNGR Final Report: The Best Shot for a Stronger, Sustainable, Reserve Component, Christine Wormuth, Senior Fellow, Center for Strategic & International Studies

Testimony provided by;

RADM Casey Coane, Executive Director
CAPT Ike Puzon, Director of Legislation

RADM CASEY W. COANE, USN (Ret)

Currently the National Executive Director of the Naval Reserve Association in Alexandria, VA, RADM Coane is the Chief Executive and registered Washington Lobbyist for a Nation-wide organization supporting the Navy Reserve and its 76,000 members. His thirty-four year military career consisted of eleven years of Active Duty and twenty-three years of Reserve Duty. Trained as a P3 Maritime Patrol/ Reconnaissance and Antisubmarine Warfare pilot, RADM Coane flew in the Vietnam Theater; tracked Soviet submarines in the Pacific, Atlantic, and Mediterranean; and, in the late nineties, flew reconnaissance missions over Bosnia and Kosovo. **He served a tour as a primary flight instructor and was the Training Squadron Five Instructor of the Year in 1976.** In 1995, RADM Coane completed a three-month tour as Deputy Commander, Joint Task Force Southwest Asia in Riyadh, Kingdom of Saudi Arabia

Important leadership positions included five Commanding Officer assignments including squadron command, and Reserve Readiness Command Southeast where he was responsible for six thousand Reservists in seventeen reserve centers across four states and Puerto Rico. Flag Officer assignments included three years as the Deputy Commander U.S. SIXTH Fleet and Deputy Commander for the Naval Network Warfare Command/Naval Space Command. Other assignments included a four-year tour on the Secretary of the Navy's National Naval Reserve Policy Board, Naval War College reserve course series, Army War College Course for Senior Reserve Officers, and the Executive Program for General Officers at Harvard's Kennedy School of Government.

In civilian life, RADM Coane worked for thirty-two years as a pilot for Eastern Air Lines and Delta Air Lines where he recently retired as a Captain. While at Delta, he served for **eight years as a simulator instructor and a classroom facilitator for New Hire and recurrent training classes in leadership and crew coordination. He was Program Manager for all pilot Human Factors programs responsible for training program development and execution.** Most recently, he taught the company's New Captain leadership seminar. **He has over 10,000 hours in transport category aircraft in domestic and international operations.**

In the community, RADM Coane is the Chairman of The Atlanta Regional Military Affairs Council which fosters communication between the military and civilian business communities. He is on the Board of Directors for NPKTools, serves as Parade Coordinator for the Atlanta St. Patrick's Day parade, and is on the Board of Directors for the Atlanta Metropolitan Council of the Navy League of the U.S. This past year, he also served as the Co-Chairman Fund Raising for the *USS Jimmy Carter* Commissioning Committee which raised over $230,000 to support the commissioning of the *Jimmy Carter* (SSN-23) and scholarships for her crew.

Ike Puzon

Director of Legislation: Naval Reserve Association – since March 03

- Co-Chair of TMC Guard and Reserve Committee
- Co-Chair of TMC Tax Committee
- Chair of NMVA Reserve Committee

Since 2001 - **President, Puzon Associates**: A small business, Consultant/Lobbying for clients seeking governmental representation and congressional support.

2001 - **Director of Government & Airport Programs** for an aviation information technology corporation, serving the aviation industry, airlines & airports.

1999-2001 – Office of Senator Max Cleland. Military Legislative Assistant to **Senator Max Cleland,** Senior Military/legislative Advisor on issues, active duty, reserve and civilian DoD personnel & issues.

Military Experience

July 1997 to Dec 1998	**Joint Chief of Staff**. Team Leader, J-8, Resource, Requirements, Assessments, Inspection Team: Researched and conducted evaluations of National Military Agencies and major CINCs. **Office of Secretary of Defense** Strategic Studies Group. Team Leader, Secretary of Defense Strategic Studies Group: Conducted national and international research and study on Information Technology and National Security Strategy for 2025.
Aug 1995 to July 1997	**Commanding Officer**. Naval Air Station, Atlanta: Led multi-reserve oriented and multi-active programs.
July 1994 to July 1995	**Office of Secretary of the Navy**. Military Assistant, Assistant Secretary of the Navy (ASN), Manpower and Reserve Affair:
Dec 1991 to Aug 1993	**Office of Secretary of State**. Military Assistant, ***Ambassador Richard Armitage***, New Independent States; **Secretary of State**, Chief of Staff, ***Ambassador Tom Simmons***, New Independent States: Organized, developed and managed major assistance programs for Secretary of State for the Former Soviet Union relief programs. Advisor to US Ambassadors on assistance to Former Soviet Union nations.
June 1989 to Apr 1991	**Commanding Officer**. Naval Patrol Squadron
1971 to 1989	**Officer in Charge, Project Manager**. Various officer positions with the Reserve and US Navy: flight operations, flight training, operations, maintenance and training.

ADDITIONAL ACCOMPLISHMENTS

- **Extensive experience with the Active & Reserve Components** – all services
- **Extensive experience** with commercial aviation, airports, TSA, FBI-TSA, FAA
- Successfully marketed Information Technology to Airport Authorities and airlines worldwide.
- Successfully provided connections for small businesses to federal, state, and local governments.
- Interfaced and negotiated with major corporations, nongovernmental organizations, and lobbyists.
- Won several distinguished awards as Commanding Officer & Officer in Charge of Navy Patrol Squadrons. 1976 -1989 - A qualified and accomplished Naval Aviator:
- 8 years as staff support and program officer

EDUCATION

- National War College, MS, National Security Strategy, Washington, DC;
- Naval War College, US Navy Security Policies – MS graduate
- Pepperdine University, MS, HRM; East Carolina University, BS, PolSci
- Published: Report to Secretary of Defense, Information Technology in 2025 and Changes to DoD – as team leader and member of SECDEF Strategic Studies Group

IRAQ AND AFGHANISTAN VETERANS OF AMERICA

ISSUE REPORT, JANUARY 2008

MENTAL HEALTH INJURIES

The Invisible Wounds of War

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Vanessa Williamson
Policy Director, IAVA
202 682 3490 | *vanessa@iava.org*

For all media inquiries, contact our Communications Department:
212 982 9699 | *press@iava.org*

EXECUTIVE SUMMARY

As early as the Civil War, terms like "soldier's heart" and "nostalgia" were used to describe the psychological injuries incurred by combat veterans. In later wars, "shell shock" and "battle fatigue" described a similar array of symptoms. It was only in the aftermath of the Vietnam War, however, that veterans' mental health injuries were examined scientifically. A 1988 Congressionally-mandated study estimated that 15 percent of Vietnam veterans suffered from Post-Traumatic Stress Disorder (PTSD) at the time of the conflict.

During the Iraq and Afghanistan wars, American troops' mental health injuries have been documented as they occur, and rates are already comparable to Vietnam. Thanks to today's understanding of mental health screening and treatment, the battle for mental health care fought by the Vietnam veterans need not be repeated. We have an unprecedented opportunity to respond immediately and effectively to the veterans' mental health crisis.

Rates of mental health problems among new veterans are high and rising. The best evidence to date suggests that about one in three Iraq veterans will face a serious psychological injury, such as depression, anxiety, or PTSD.[1] About 1.5 million people have served in Iraq and Afghanistan, so approximately half a million troops are returning with combat-related psychological wounds. And problems are likely to worsen. Multiple tours and inadequate time between deployments increase rates of combat stress by 50 percent.

These psychological injuries exact a severe toll on military families. Rates of marital stress, substance abuse, and suicide have all increased. Twenty percent of married troops in Iraq say they are planning a divorce. Tens of thousands of Iraq and Afghanistan veterans have been treated for drug or alcohol abuse. And the current Army suicide rate is the highest it has been in 26 years.

According to the American Psychological Association, there are "significant barriers to receiving mental health care in the Department of Defense (DOD) and Veterans Affairs (VA) system."[2]

Instead of screening returning troops through a face-to-face interview with a mental health professional, the DOD relies on an ineffective system of paperwork to conduct mental health evaluations. There are significant disincentives for troops to fill out the forms accurately, and those who indicate they need care do not consistently get referrals. In addition, access to mental health care is in short supply. According to the Pentagon's Task Force on Mental Health, the military's "current complement of mental health professionals is woefully inadequate." Moreover, 90 percent of military psychiatrists, psychologists and social workers reported no formal training or supervision in the recommended PTSD therapies.

Effective treatment is also scarce for veterans who have left the military. As of May 2007, the VA has given preliminary mental health diagnoses to over 100,000 Iraq and Afghanistan veterans. The veterans' mental health system is simply overwhelmed by the influx; waiting lists now render mental health and substance abuse care "virtually inaccessible" at some clinics, according to the VA's own experts. The VA has exacerbated the shortage by consistently underestimating the number of new veterans who would need care, and by failing to spend millions earmarked by Congress for mental health treatment.

THE STIGMA OF MENTAL HEALTH CARE

Within the military and among recent veterans, there is a heavy stigma attached to receiving mental health treatment. Approximately half of soldiers and Marines in Iraq who test positive for a mental health problem are concerned that they will be seen as weak by their fellow service members. One in three of these troops worry about the effect of a mental health diagnosis on their career. As a result, many troops who need care do not seek treatment.

ACCORDING TO THE PENTAGON'S TASK FORCE ON MENTAL HEALTH, THE MILITARY'S "CURRENT COMPLEMENT OF MENTAL HEALTH PROFESSIONALS IS WOEFULLY INADEQUATE."

No one comes home from war unchanged. But with early screening and ready access to counseling, the mental health effects of combat are treatable. In the military and in the veterans' community, however, psychologically wounded troops are falling through the cracks. Decisive action must be taken to fix the gaps in the mental health system if we are to reach this generation of combat veterans in time.

THE SCOPE OF THE PROBLEM

Although many veterans are suffering from other psychological wounds, such as depression, the hallmark mental health injury for veterans is Post-Traumatic Stress Disorder, or PTSD. PTSD is a psychological condition that occurs after an extremely traumatic or life-threatening event, and has symptoms including persistent recollections of the trauma, heightened alertness, nightmares, insomnia, and irritability.[3] In the aftermath of the Vietnam War, the Congressionally-mandated National Vietnam Veterans Readjustment study estimated that approximately 15 percent of service members suffered PTSD during the conflict. Overall, as many as 30 percent suffered PTSD at some point after their service.[4]

The prevalence of mental health injuries among Iraq veterans is equivalent to that of Vietnam vets, and may in fact be higher.

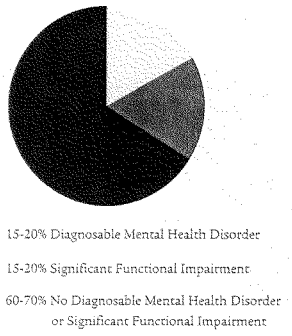
About One in Three Iraq Vets to Face a Severe Psychological Injury

Mental health wounds range in severity, and can take months or years to manifest. Between 30 and 40 percent of Iraq and Afghanistan veterans will face serious mental health injuries. The VA's Special Committee on PTSD has concluded that:

"15 to 20 percent of OIF/OEF [Operation Iraqi Freedom/ Operation Enduring Freedom (Afghanistan)] veterans will suffer from a diagnosable mental health disorder... Another 15 to 20 percent may be at risk for significant symptoms short of full diagnosis but severe enough to cause significant functional impairment."[5]

An even higher percentage of troops will experience less acute mental health injuries that may still require the care of a mental health professional. According to the Dole-Shalala Commission, "56 percent of the active duty, 60 percent of reserve component, and 76 percent of retired/ separated service members say they have reported mental health symptoms to a health care provider."[6]

Predicted Lifetime Mental Health Problems Among Iraq and Afghanistan Veterans



Source: Fifth Annual Report, VA Special Committee on PTSD

These numbers are not final, in part because mental health screening of Iraq and Afghanistan veterans has, as a general rule, been insufficient.[7] In addition, it can take months or years for mental health injuries to reveal themselves.[8] In November 2007, Army Colonel Charles Hoge, MD, of Walter Reed Medical Center, released the results of a study of 80,000 troops' mental health evaluations. The study found that, immediately after returning from combat, 17.2 percent of soldiers screened positive for a mental health problem. Six months after these troops came home, their rate of mental health problems was 30.1 percent.[9] Moreover, the prevalence of these injuries continues to rise after the six-month assessment.[10] Rates of mental health injuries are increasing not only because of the time it takes for troops' mental health wounds to manifest, however. Longer tours and multiple deployments are also contributing to higher rates of mental health injuries.

Long Tours and Multiple Deployments Increase Mental Health Risk

Since the start of the Iraq War, troops have regularly had their tours extended[11] and at least 449,000 troops have deployed more than once.[12] As of spring 2007, Defense

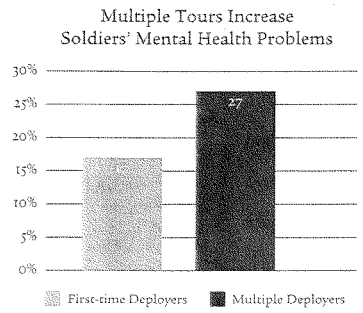
TREATMENTS FOR PTSD

Fortunately for those suffering from PTSD, a variety of treatments are available. Psychotherapy, in which a therapist helps the patient learn to think about the trauma without experiencing stress, is an effective form of treatment. This version of therapy sometimes includes "exposure" to the trauma in a safe way – either by speaking or writing about the trauma, or in some new studies, through virtual reality. Some mental health care providers have reported positive results from a similar kind of therapy called Eye Movement Desensitization and Reprocessing (EMDR). Finally, there are medications commonly used to treat depression or anxiety that may limit the symptoms of PTSD, although they do not address the root cause, the trauma itself.[13]

Secretary Gates increased active-duty Army combat tours from 12 to 15 months,[14] with a guarantee of a year at home between tours. This schedule allows for only half the recommended rest or "dwell time."[15]

According to the military Mental Health Advisory Team (MHAT)'s survey of soldiers and Marines in Iraq,[16] soldiers deployed to Iraq more than once were 50 percent more likely to be diagnosed with mental health injuries than those on their first deployment. In addition, the report speculated Marines may have lower rates of mental health injuries because of their shorter tours.[17] The MHAT recommended increasing troops' rest time to 18-36 months or decreasing deployment length,[18] but troop shortages mean that 15-month deployments will last until at least June 2008.[19]

Certain Groups at Higher Risk



Troops who have been deployed more than once have mental health problems 50 percent more often as first time deployers. Source: Mental Health Advisory Team IV Final Report

Some troops are at higher risk for mental health injuries. Young troops, who tend to be of lower rank, are often in "front-line" positions, see more combat,[20] and have a higher rate of mental health injuries than their older peers.[21] Troops facing financial[22] or family[23] troubles while deployed have higher rates of PTSD. Because these problems are common among troops in the reserve component, National Guardsmen and Reservists are reporting higher rates of stress.[24] According to the military's Task Force on Mental Health, 49 percent of National Guardsmen are reporting psychological symptoms when they return home, compared with 38 percent of soldiers.[25] Some studies suggest that, historically, female veterans are more prone to mental health injuries than their male counterparts, but it is not clear that this holds true for veterans of this conflict.[26] Female Iraq veterans who have gone to the VA for treatment are not more likely to be diagnosed with a psychological injury than male Iraq veterans.[27]

THE EFFECTS OF UNTREATED MENTAL HEALTH INJURIES

"Stress and stress injuries such as PTSD may contribute to misconduct in service members and veterans," according to Captain Bill Nash, an expert in the Marine Corps Combat/Operational Stress Control program.[28] Military studies suggest that troops who test positive for mental health problems are twice as likely to "engage in unethical behavior," such as insulting or injuring non-combatants or destroying property unnecessarily.[29] In addition, the rates of mental health problems and substance abuse are high among Marines discharged under less-than-honorable circumstances.[30] Responding to these revelations, the Army and Marines have boosted training in values, battlefield ethics, and the Rules of Engagement.[31]

The issues resulting from untreated mental health wounds do not end when a service member returns home. PTSD can be crippling for veterans, and exacts a severe toll on their families and communities. According to the Institute of Medicine, deployment to a war zone increases the risk of psychiatric disorders, marital and family conflict, alcohol abuse, and even suicide.[32]

Family Problems

The Iraq war has put a tremendous strain on military families, and the strain has been increasing over time.[33] More than 700,000 children have had a parent deployed at some point during the conflicts.[34] Almost 19,000 children have had a parent wounded in action, and 2,200 children have lost a parent in Afghanistan or Iraq.[35] A new study suggests that deployments have also led to a dramatic increase in the rates of child abuse in military families.[36]

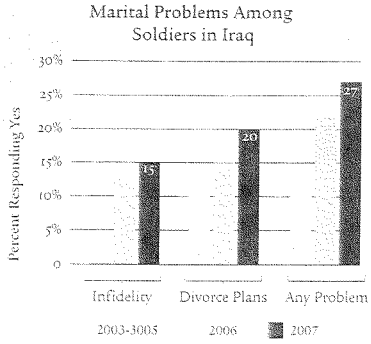
Recent research suggests that family problems are closely linked to mental health injuries. A study of new veterans referred to VA specialty care for a behavioral health evaluation,[37] two-thirds of married or cohabiting veterans reported some kind of family or adjustment problem. 22

AN INCREASING DIVORCE RATE?

It is not clear whether these problems have actually translated into more divorces. A 2007 RAND study, entitled "Families Under Stress,"[38] studied the rates of divorce for current service members. They concluded that although "rates of marital dissolution indeed rose steadily from FY2001 to FY2005, ...the effect of this rise has been merely to return rates similar to those observed in FY1996." That is to say, although the military divorce rate is rising, it is only reaching previous peacetime levels.

There was, however, a significant spike in divorce rates at the start of the Iraq War.[39] Moreover, the RAND data only included troops who were still serving – not the 750,000 Iraq and Afghanistan veterans who had left the military.[40] Those who have left the social safety net associated with active-duty military life might be more likely to divorce. A complete understanding of the link between combat deployments and divorce requires further study.

percent of these veterans were concerned that their children "did not act warmly" towards them or "were afraid" of them. Among those veterans with current or recently-separated partners, 56 percent reported conflicts involving "shouting, pushing or shoving."[41]



Over the course of the war, troops have reported growing concerns about marital infidelity, 27% of soldiers now admit they are experiencing marital problems, and 20% of deployed soldiers say they are currently planning a divorce. Source: Mental Health Advisory Team IV Final Report.

Substance Abuse

Another side effect of troops' mental health injuries has been an increase in drug and alcohol abuse. The Army, for instance, has seen an almost three-fold increase in "alcohol-related incidents" between 2005 and 2006.[42] And at least 40,000 Iraq and Afghanistan veterans, 15 percent of all Iraq and Afghanistan veteran patients at the VA, have been treated at a VA hospital for drug abuse.[43] These numbers are only the tip of the iceberg; many veterans do not turn to the VA for help coping with substance abuse, instead relying on private programs or avoiding treatment altogether.

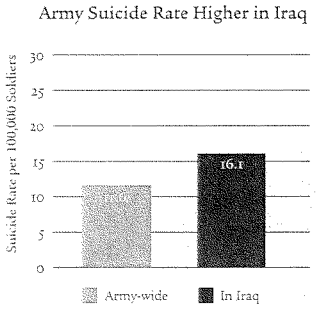
Suicide

Mental health wounds have also pushed troops and veterans to take their own lives. The suicide rate for troops on active-duty has risen, feeding concerns about whether troops showing signs of mental health injuries after their first deployment are being sent back to Iraq or Afghanistan without adequate treatment.[44]

Since the invasion of Iraq in 2003, the suicide rate for active-duty soldiers has dramatically increased.[45] According to the 2006 Army Suicide Event Report, the suicide rate for active-duty soldiers reached its highest level in decades,[46] with 97 Army suicides.[47] Almost two-thirds of these suicides were soldiers that had served at least one Iraq or Afghanistan deployment,[48] and about a quarter of those who killed themselves had a history of psychiatric disorder.[49]

The suicide rate in Iraq is significantly higher than in the Army as a whole: 16.1 suicides per 100,000 troops in Iraq, compared with a rate of 11.6 Army-wide.[50] Preliminary numbers for 2007 suggest that the number of suicides will likely increase again next year.[51] Since the start of the war, there have been a total of 147 military suicides in Iraq and Afghanistan.[52]

While the rate of military suicides is closely monitored, there is no agency or registry keeping track of suicide rates among veterans who have completed their service. As a result, although anecdotal evidence suggests it is a growing problem, suicide among Iraq and Afghanistan veterans is very difficult to estimate. The *Associated Press* has reported that, between 2001 and 2005, at least 283 Iraq and Afghanistan veterans who had left the military committed suicide.[53] However, this number is far from definitive.



Active-duty soldiers in Iraq have a 39% higher rate of suicide than soldiers in general. Source: Mental Health Advisory Team IV Brief.

For veterans of all generations, data on suicide are troubling. Veterans make up only 13 percent of the U.S. population, but they account for approximately 20 percent of the suicides.[54] Male veterans are more than twice as likely to die by suicide as men with no military service[55] and veterans with PTSD are more than three times as likely to die by suicide as their civilian peers.[56] White, college-educated veterans living in rural areas are at the highest risk.[57] Unlike in civilian populations, it is the youngest veterans, those aged 18-44, who are most at risk of suicide.[58]

★ ★ ★

IN PERSON: JOSHUA LEE OMVIG (1983-2005)

On December 22, 2005, just a few months after returning from an eleven-month tour in Iraq, 22-year-old Army Reservist Joshua Omvig took his own life. Omvig, who was suffering from Post-Traumatic Stress Disorder, experienced nightmares, depression, mood changes, and other symptoms associated with combat stress. Omvig refused to seek help, however, because he believed that receiving a mental health diagnosis would damage his career in the military and his dream of becoming a police officer.

After his suicide, Joshua's parents, Randy and Ellen Omvig, devoted themselves to the passage of a new piece of suicide prevention legislation. The legislation included a mandate for a new campaign to de-stigmatize mental health treatment, more training for VA workers in suicide prevention, and a 24-hour suicide hotline for troops. In November 2007, through the tireless work of the Omvig family and veterans groups including IAVA, the Joshua Omvig Suicide Prevention Act was signed into law. This legislation is a great first step to ensuring that all veterans of Iraq and Afghanistan can get mental health treatment before it is too late.

THE STIGMA OF MENTAL HEALTH CARE

The stigma associated with psychological injuries is the most serious hurdle to getting Iraq and Afghanistan veterans the mental health care they need. Approximately 50 percent of soldiers and Marines in Iraq who test positive for a psychological problem are concerned that they will be seen as weak by their fellow service members, and almost one in three of these troops worry about the effect of a mental health diagnosis on their career. Because of these fears, those most in need of counseling will rarely seek it out.[59]

THE RESPONSE TO THE MENTAL HEALTH CRISIS

The mental health systems in the Department of Defense and the Department of Veterans Affairs include many dedicated mental health professionals, but training and staffing are inadequate. In part because of the stigma attached to mental health wounds (see inset), the troops most in need of support are often the least willing or able to seek out care. As a result, some of the most at-risk service members are falling through the cracks.

Department of Defense Leaves Troops at Risk

According to the American Psychological Association, "appropriate mental health services are often not readily available"[60] to troops or their families. Although the military has made efforts to improve mental health treatment, less than 40 percent of troops with psychological wounds are getting treated.[61] The two primary roadblocks to quality care are the shortages of trained mental health care staff, and the inadequate screening process used to recognize and treat troops at risk for mental health injuries.

Staffing Shortages and Inadequate Training

According to the Pentagon's Task Force on Mental Health, "the current complement of mental health professionals is woefully inadequate" to provide mental health care for today's military.[62] The number of licensed psychologists in the military has dropped by more than 20 percent in recent years.[63] Support available to troops in Iraq is also declining; in two years, the ratio of behavioral health workers deployed to troops deployed dropped from 1 in 387 to 1 in 740.[64]

In addition, the military's available mental health professionals are often undertrained. Only 10 percent of military psychiatrists, psychologists, and social workers report having training in the VA- and DOD-recommended treatments for PTSD.[65] The military's own Mental Health Advisory Team has recommended more Combat and Operational Stress Control training for mental health specialists.[66] The availability and quality of treatment varies dramatically between military bases[67] and "relatively few high-quality programs exist," according to the American Psychological Association.[68]

Inadequate Evaluation of Returning Combat Veterans

According to a June 2007 Government Accountability Office (GAO) report, the DOD cannot ensure that service members are mentally fit to deploy, nor accurately assess troops' mental health condition when they return.[69] Recent Army studies reveal that PTSD is being routinely underreported and under-diagnosed. Since 2003, the Army has only diagnosed 3 percent of soldiers who have served in combat with PTSD, far lower than the percentage that screen positive in samples.[70]

Part of the problem is the lack of real mental health assessment of troops returning from combat. An in-person interview with a mental health professional is the optimum approach to PTSD diagnosis.[71] But currently, the only universal screening of troops' mental health is a paperwork process, the mandatory pre- and post-deployment health forms.[72]

Troops fill out one health form before deployment, and two more when they return. Immediately after their tour, troops must fill out the Post Deployment Health Assessment (PDHA). Six months later, service members complete a second form, the Post Deployment Health Re-Assessment (PDHRA). These forms are later reviewed

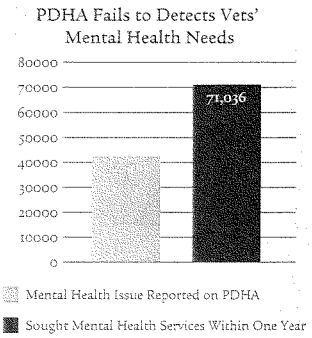
by health care providers who are typically not trained as mental health professionals. These providers are responsible for giving referrals to those troops they deem to be at serious mental health risk.

These health assessments have only been universally implemented during the Iraq War, and their effectiveness is questionable.

A 2006 study led by Army Col. Charles Hoge, MD, at the Walter Reed Army Institute of Research, looked at the results of Iraq veterans' PDHAs. Only 19 percent of troops returning from Iraq self-reported a mental health problem. But 35 percent of those troops actually sought mental health care in the year following deployment.

If the PDHA is intended to correctly identify troops who will need mental health care, it simply does not work. A follow-up study in 2007, also published in the *Journal of the American Medical Association*, concluded: "Surveys taken immediately on return from deployment substantially underestimate the mental health burden."[73]

Although the PDHRA, which troops fill out six months after deployment, is more likely to identify mental health injuries,[74] its overall effectiveness is also dubious. Troops may not be filling out their forms accurately, troops needing counseling are not consistently getting referrals, and those with referrals do not always get treatment.



About 42,000 troops self-reported a mental health injury on their PDHA mental health assessment, but more than 71,000 troops actually sought services in the following year. Source: Hoge 2006.

According to former Army Surgeon General Kevin Kiley, "If an individual checks nothing, I have no mental health issues, they're not necessarily being sent to mental health counseling."[75] Yet there are serious disincentives for returning troops to admit their psychological injury on paper. Part of the problem is the stigma attached to mental health care. Admitting a psychological wound can also slow troops' reunification with their family after a combat tour.[76] Additionally, troops are reluctant to seek mental

ARE PSYCHOLOGICALLY WOUNDED TROOPS GETTING DISCHARGED WITHOUT BENEFITS?

Since 2001, 22,500 troops[77] have been discharged from the military with a 'personality disorder.' Personality disorder discharges have increased 40 percent in the Army since the invasion of Iraq.[78] In some of these cases, the service member may have had PTSD, Traumatic Brain Injury, or another combat-related mental health injury, and felt "pressured by commanders and peers to accept an administrative discharge"[79] rather than continue to fight for a medical discharge.

According to Representative Bob Filner, Chairman of the VA Committee, "My concern is that this country is regressing and again ignoring the legitimate claims of PTSD in favor of the time and money saving diagnosis of Personality Disorder."[80] The Government Accountability Office is currently investigating reports of inaccurate diagnoses at Ft. Carson, CO.[81]

health care if they wish to begin careers as police officers, fire fighters, or emergency medical technicians. There is also widespread concern that a mental health diagnosis will affect one's military career, including eligibility for certain security clearances. In all of these cases, diagnosed psychological injuries can affect employability. Given such obvious disincentives, it is common knowledge that troops do not fill out their assessments accurately. Even the VA's own Special Committee on Post-Traumatic Stress Disorder admits, "No one seems to expect them to answer truthfully."[82]

Moreover, those who do ask for help may not actually receive it.[83] The Government Accountability Office found that only 22 percent of returning troops whose forms showed that they were at risk for mental health problems were actually referred to a mental health professional.[84] There are also questions about *pre*-deployment screening and referrals; referrals are only given to 6.5 percent of deploying service members who indicate a mental health problem.[85] In short, the "DOD cannot provide reasonable assurance that... service members who need referrals receive them."[86]

VA Unprepared for the Flood of New Veterans Seeking Care

Once out of the military, combat veterans still have problems getting mental health treatment. Tens of thousands of Iraq and Afghanistan veterans are seeking mental health services, overwhelming the Veterans Affairs system.

As of May 2007, over 100,000 Iraq and Afghanistan veterans seen at the VA were given a preliminary diagnosis of a mental health problem – that's 38 percent of the new veterans who had visited the VA for any reason. More than 56,000 of these veterans were seen at a VA hospital, clinic, or Vet Center for PTSD, an increase of nearly 64 percent over the previous year.[87] Of course, these numbers do not include veterans who have only sought mental health care outside of the VA, or those with mental health injuries who have not been diagnosed. Some experts doubt the reliability of the VA's PTSD evaluation (see inset).

This influx of new veterans has strained an unprepared and underfunded VA. In October 2006, almost one-third of Vet Centers admitted they needed more staff.[88] By April 2007, more than half of the 200-plus Vet Centers needed at least one more psychologist or therapist.[89] Even a VA Deputy Undersecretary has admitted that waiting lists render mental health and substance abuse care "virtually inaccessible" at some clinics.[91]

As a result of the staffing shortage, veterans seeking mental health care get about one-third fewer visits with VA specialists now, compared to ten years ago.[92] Veterans in rural communities are especially hard-hit. For instance, Montana ranks fourth in sending troops to war, but the state's VA facilities provide the lowest frequency of mental health visits.[93]

VA Mismanagement Continues

Despite overwhelming evidence to the contrary, then-VA Secretary Jim Nicholson testified in 2007 that the VA is "adequately staffed."[94] This kind of massive miscalculation has typified the top-level VA response to the mental health needs of new veterans, and has dramatically worsened the mental health crisis.

In February 2006, the VA claimed it was expecting only 2,900 new veteran PTSD cases in FY 2006. The actual number was roughly six times that: 17,827.[95] As a result, the VA failed to plan for the incoming veterans and failed

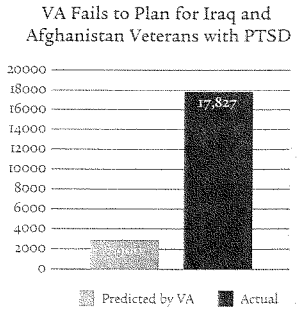
NEW QUESTIONS ABOUT VA PTSD EVALUATION AND COMPENSATION

A May 2007 report by the Institute of Medicine and the National Research Council concluded that the VA's PTSD evaluation techniques are ineffective. According to the report, the criteria for mental disorders are "crude," "overly general," and unreliable. In addition, the report questioned the use of separate ratings for mental illnesses that often appear together (like PTSD and depression), the inconsistent criteria for rating relapsing/remitting conditions, and the use of occupational impairment as the sole metric for PTSD disability.[90]

to spend the money it was allotted for mental health care. In 2005, the VA failed to allocate $12 million of a $100 million earmark for mental health care. The VA also did not ensure that funds spent were actually used for mental health initiatives. The following year, about $88 million of a $200 million earmark for mental health initiatives was not spent, and again the VA did not track the use of allocated funds.[96]

New VA Initiatives

The Department of Veterans Affairs has introduced new measures to meet the mental health needs of veterans returning from Iraq and Afghanistan. The VA is devoting $37.7 million of its $3 billion mental health budget to placing psychiatrists, psychologists, and social workers within primary care clinics.[97] This will allow veterans to seek help in a familiar setting, and will also help resolve the issue of veterans with mental health injuries going to primary care and not getting diagnosed.[98] Other measures currently underway include the addition of 23 new VA-run Vet Centers—bringing the total to 232 centers nationwide—and the hiring of more suicide-prevention coordinators to allow for expanded mental health emergency services.[99] The VA has also hired 100 Vet Center "Outreach Coordinators," Iraq and Afghanistan veterans who help guide their fellow service members into care.[100]



In 2005, the VA was expecting less than 3,000 new veterans with PTSD. The actual number was almost 18,000 veterans. Source: Rep. Michael Michaud, December 2006.

IMPROVING MANDATORY MENTAL HEALTH SCREENINGS, INCREASING ACCESS TO TRAINED MENTAL HEALTH PROFESSIONALS, AND ENSURING MILITARY FAMILIES HAVE ACCESS TO TRAINING AND CARE WOULD BE A TREMENDOUS STEP TOWARD REDUCING THE STIGMA ATTACHED TO MENTAL HEALTH CARE.

CONCLUSION

At least half a million Iraq veterans will suffer from a mental health injury as a result of their service, a rate comparable to or higher than that seen after Vietnam. Some of the ramifications are clear: increases in family problems, drug abuse, and suicide. If these issues are not addressed, other problems, like the unemployment and homelessness[101] experienced by Vietnam veterans, are likely to increase as well. The Defense Department and the Department of Veterans Affairs can and must do better. Resolving just three of the most pressing needs—improving mandatory mental health screenings, increasing access to trained mental health professionals, and ensuring military families have access to training and care – would be a tremendous step toward reducing the stigma attached to mental health care, building a less passive response to veterans' mental health needs, and stemming the flood of veterans with untreated mental health injuries. For IAVA's recommendations on mental health, see our Legislative Agenda, available at **www.iava.org/dc.**

RECOMMENDED READING AND ONLINE RESOURCES

For more information about the mental health effects of war, please see the IAVA Issue Report: "Traumatic Brain Injury: the Signature Wound of the Iraq War." For more on troops' and veterans' health care and compensation issues, consult the IAVA Issue Report: "Battling Red Tape: Veterans Struggle for Care and Benefits." And to learn more about the national security implications of long and multiple tours, please see the IAVA Issue Report, "A Breaking Military: Overextension Threatens Readiness." All IAVA reports are available at **www.iava.org/dc.**

You can also learn more about mental health and the military from the following sources:

The National Center for PTSD: **http://www.ncptsd.va.gov.**

Charles W. Hoge et al., "Combat Duty in Iraq and Afghanistan, Mental Health Problems, and Barriers to Care," *New England Journal of Medicine*, July 1, 2004: **http://content.nejm.org/cgi/content/short/351/1/13.**

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Miliken, Auchterlonie, and Hoge, "Longitudinal Assessment of Mental Health Problems Among Active and Reserve Component Soldiers Returning From the Iraq War," *Journal of the American Medical Association*, November 14, 2007.

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ENDNOTES

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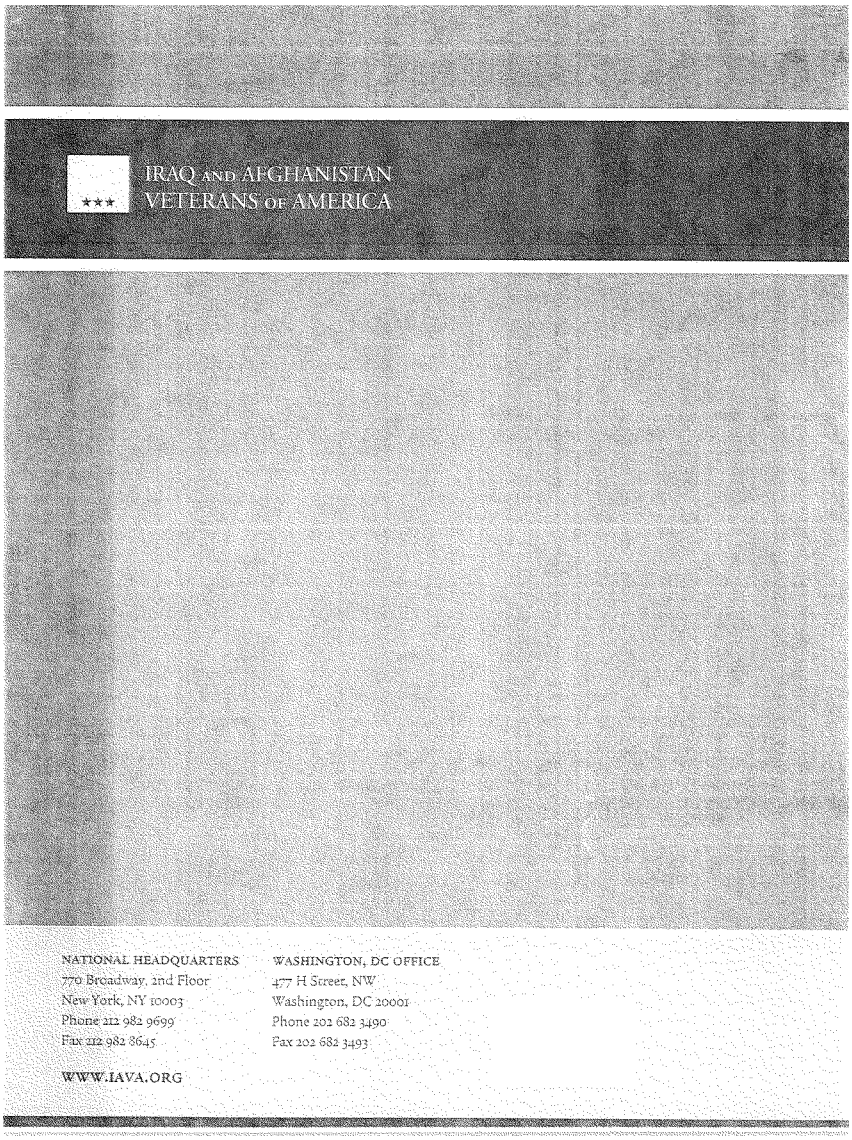
[99] The locations that will be getting vet centers are: Montgomery, Ala.; Fayetteville, Ark.; Modesto, Calif.; Grand Junction, Colo.; Orlando, Fort Myers and Gainesville, Fla.; Macon, Ga.; Manhattan, Kan.; Baton Rouge, La.; Cape Cod, Mass.; Saginaw and Iron Mountain, Mich.; Berlin, N.H.; Las Cruces, N.M.; Binghamton, Middletown, Nassau County and Watertown, N.Y.; Toledo, Ohio; DuBois, Pa.; Killeen, Texas; and Everett, Wash. Hope Yen, "US to expand veterans mental health services," *Associated Press*, July 17, 2007: http://www.boston.com/news/nation/articles/2007/07/17/us_to_expand_veterans_mental_health_services/.

[100] Testimony by the Honorable R. James Nicholson, Secretary, U.S. Department of Veterans Affairs, House Committee on Veterans' Affairs, September 18, 2007: http://veterans.house.gov/hearings/Testimony.aspx?TID=4446.

[101] There are not yet conclusive numbers on the rates of homelessness among Iraq and Afghanistan veterans. A recent study by the Homelessness Research Institute and the National Alliance to End Homelessness states that, "300 OEF/OIF veterans have used VA services for homeless veterans, and the VA has classified 1,049 as being at risk of homelessness." Over 71,000 people who have served since September 11, 2001 are paying more than 50 percent of their income in rent. These veterans are also at high risk for homelessness. http://www.endhomelessness.org/files/1837_file_IraqAfghanistanVets__2_.pdf See also: "Risk and Protective Factors for Homelessness among OIF/OEF Veterans," Swords to Plowshares, December 7, 2006.



NATIONAL HEADQUARTERS
770 Broadway, 2nd Floor
New York, NY 10003
Phone 212 982 9699
Fax 212 982 8645

WASHINGTON, DC OFFICE
477 H Street, NW
Washington, DC 20001
Phone 202 682 3490
Fax 202 682 3493

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QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

FEBRUARY 7, 2008

QUESTIONS SUBMITTED BY MRS. DAVIS OF CALIFORNIA

Mrs. DAVIS. It would be interesting to me and I am sure the committee if you have some suggestions that you have put forward that you feel have been ignored, you know, dismissed, even if they have what may be seen as a marginal impact, I think we would be interested in looking at them.

It is the cumulative impact. And that would be good to see. One of the things that we are going to do is have the opportunity in members' districts to talk about health care at length. And I would be interested in some of those suggestions.

Colonel STROBRIDGE. I would offer the following list of initiatives that we believe have the potential to reduce long-term defense health costs, in many cases to a significant degree, without impinging on health benefits or beneficiaries.

1. Authorize TRICARE coverage of smoking-cessation services (e.g., hypnosis, which many smokers have found successful) and products, which multiple studies indicate is a top-rated means of reducing long-term health costs.

2. Exempt immunizations, preventive measures (e.g. mammograms, colonoscopies), and medications/services for chronic diseases (e.g., diabetes, asthma) from deductibles and co-payments to reduce long-term health costs (studies show even a modest co-pay deters some for using these services/medications, and many private sector plans are eliminating co-pays as participation incentives).

3. Encourage retention of other health insurance by making TRICARE a true second-payer to other insurance (TRICARE now often pays nothing; paying the other insurance's co-pay would be far cheaper than having the beneficiary migrate to TRICARE).

4. Stimulate use of lower-cost mail-order pharmacy by eliminating all mail-order co-pays.

5. Change the electronic claim system to reject errors in real time to help providers submit "clean" claims and to reduce delays and multiple submissions.

6. Do more to educate beneficiaries and providers on advantages of mail-order pharmacy; change the law to explicitly allow defense officials to contact beneficiaries as needed to do so, since DoD General Counsel indicates there are statutory limits on current authority to do that.

7. Simplify TRICARE Prime referral system to reduce contractor overhead.

8. Reduce TRICARE Reserve Select costs by allowing members the option of a government subsidy (at cost capped below cost of providing TRICARE) for payment of civilian employer health premiums during periods of mobilization; over the longer term, as deployment requirements ease, this would be much less costly than funding TRICARE coverage for members and families in non-deployed status.

9. Reduce/eliminate DoD-unique administrative requirements that compel contractors to assume more overhead costs (and charge higher fees) than entailed in other insurance programs.

10. Offer special care management services to beneficiaries with chronic and expensive conditions.

11. Establish centralized DoD "high-cost pharmacy" for central ordering and filling of prescriptions for exceptionally high-cost drugs (AF model has been successful).

12. Realign military treatment facility pharmacy budget process for centralized funding, with greater emphasis on accountability and cost-shifting/reimbursement to reduce departmental/service/installation/facility incentives to act in ways that reduce their specific obligation but increase DoD costs (e.g., robbing local hospital funding to meet operational needs, which forces more beneficiaries into more expensive civilian care).

13. Consider test of voluntary participation in Medicare Advantage Regional PPO to foster chronic care improvement and disease management programs.

14. Size military facilities (least costly care option) to reduce reliance on civilian Prime networks (most costly care option) and treat more retirees under age 65; for example, military providers see far fewer patients per day than civilian providers,

in part due to reductions in staff support, so providers have to spend more time on administrative work; restoring staffing will free providers to see more patients.

15. Increase pharmacist positions and establish satellite military pharmacies off-base in high-retiree/Guard/Reserve-population areas to recover more prescription business from higher-cost retail systems; reestablish prescription courier services that were popular at many locations under which retirees could have their medications delivered from a military pharmacy at some distance from their homes; establish pharmacy counters in commissaries/exchanges to facilitate one-stop shopping to reduce inconvenience of having to visit multiple on-base facilities and spend time waiting in military pharmacies.

16. Examine further savings options available from consolidation of medical services.

QUESTIONS SUBMITTED BY MR. MCHUGH

Mr. MCHUGH. Within a year 35 percent then say I have a mental health problem, I need care. I am curious are all of those 35 percent then seeking mental health care and counseling because of the deployment?

Mr. BOWERS. That data is currently not available. With that said, the PDHA and PDHRA are only administered to service members who have served on active duty for a 90-day period. Therefore, a referral is made based off of deployment-related circumstances. I have provided a copy of the most recent PDHRA that will clarify the wording of these questions. Please note that although this new version (January 2008) is posted on the Deployment Health Clinical Center website, the older version (June 2005) continues to be utilized for the assessment process as of March 2, 2008. The new form has not been fully implemented. A 2006 study led by Army Col. Charles Hoge, MD, at the Walter Reed Army Institute of Research, looked at the results of Iraq veterans' PDHAs. Only 19 percent of troops returning from Iraq self-reported a mental health problem. But 35 percent of those troops actually sought mental health care in the year following deployment. If the PDHA is intended to correctly identify troops who will need mental health care, it simply does not work. A follow-up study in 2007, also published in the *Journal of the American Medical Association*, concluded: "Surveys taken immediately on return from deployment substantially underestimate the mental health burden." Although the PDHRA, which troops fill out six months after deployment, is more likely to identify mental health injuries its overall effectiveness is also dubious. Troops may not be filling out their forms accurately, troops needing counseling are not consistently getting referrals, and those with referrals do not always get treatment.

Charles W. Hoge et al., "Mental Health Problems, Use of Mental Health Services, and Attrition from Military Service After Returning from Deployment to Iraq or Afghanistan," *Journal of the American Medical Association*, March 1, 2006, 295, p. 1023: http://www.iava.org/images/JAMA.pdf.

Mr. MCHUGH. So if you are deployed, that 20 percent figure is higher than it would be if you were not?

Would it be possible to get some data on that, if you have a chance?

Mr. BOWERS. Yes. And I have also found that with multiple deployments this is having an increasing impact whereas the percentage rate goes up per deployment.

[The information referred to can be found in the Appendix on page 218].

QUESTIONS SUBMITTED BY MRS. BOYDA

Mrs. BOYDA. In your testimony you had said that multiple tours and inadequate time at home and between deployments increased rates of combat stress at 50 percent. Where do you have those numbers?

Mr. BOWERS. According to the military Mental Health Advisory Team (MHAT)'s survey of soldiers and Marines in Iraq, soldiers deployed to Iraq more than once were 50 percent more likely to be diagnosed with mental health injuries than those on their first deployment.

"Mental Health Advisory Team (MHAT) IV Brief," General James T. Conway, Commandant of the Marine Corps, April 18, 2007, p. 17: http://www.militarytimes.com/static/projects/pages/mhativl8apr07.pdf.

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